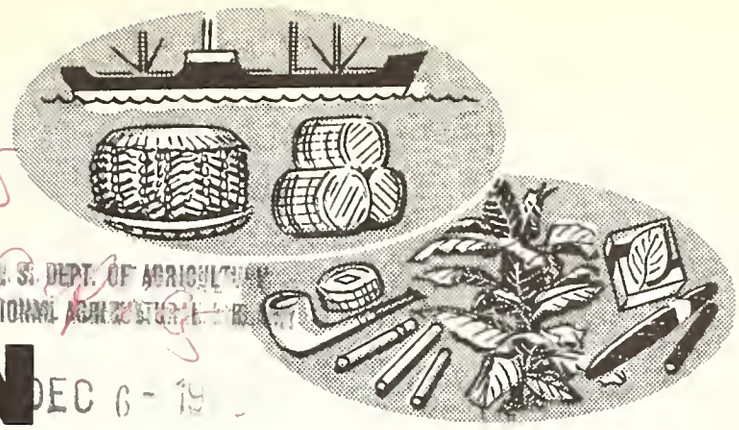
Historic, archived document

Do not assume content reflects current
scientific knowledge, policies, or practices.

1966 OUTLOOK ISSUE

1.9
EC752F
TS
Cop. 2

TOBACCO SITUATION

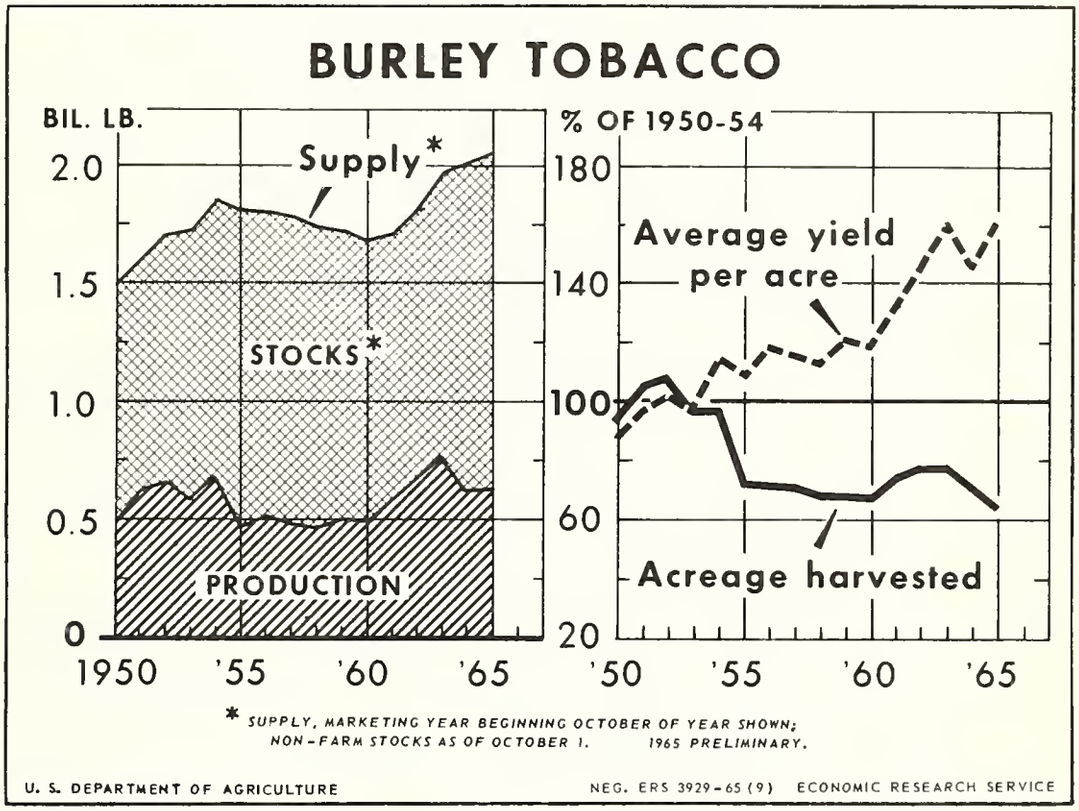


U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY
DEC 6 - 19
CURRENT SERIAL RECORDS

TS-113 For Release September 30, P. M. SEPTEMBER 1965

The 1965-66 supply of burley, at 2,057 million pounds, is 1 percent above 1964-65 and largest on record. Carryover stocks are at a new high, and this year's crop--due to a jump in average yield per acre--is nearly as large as in 1964 despite a 10 percent cut in acreage allotments.

Burley acreage for harvest in 1965 is 36 percent below the 1950-54 average, yet indicated production is 3 percent larger. Yield per acre has risen about 60 percent from 1950-54; the sharpest gains have occurred within the last 5 years.



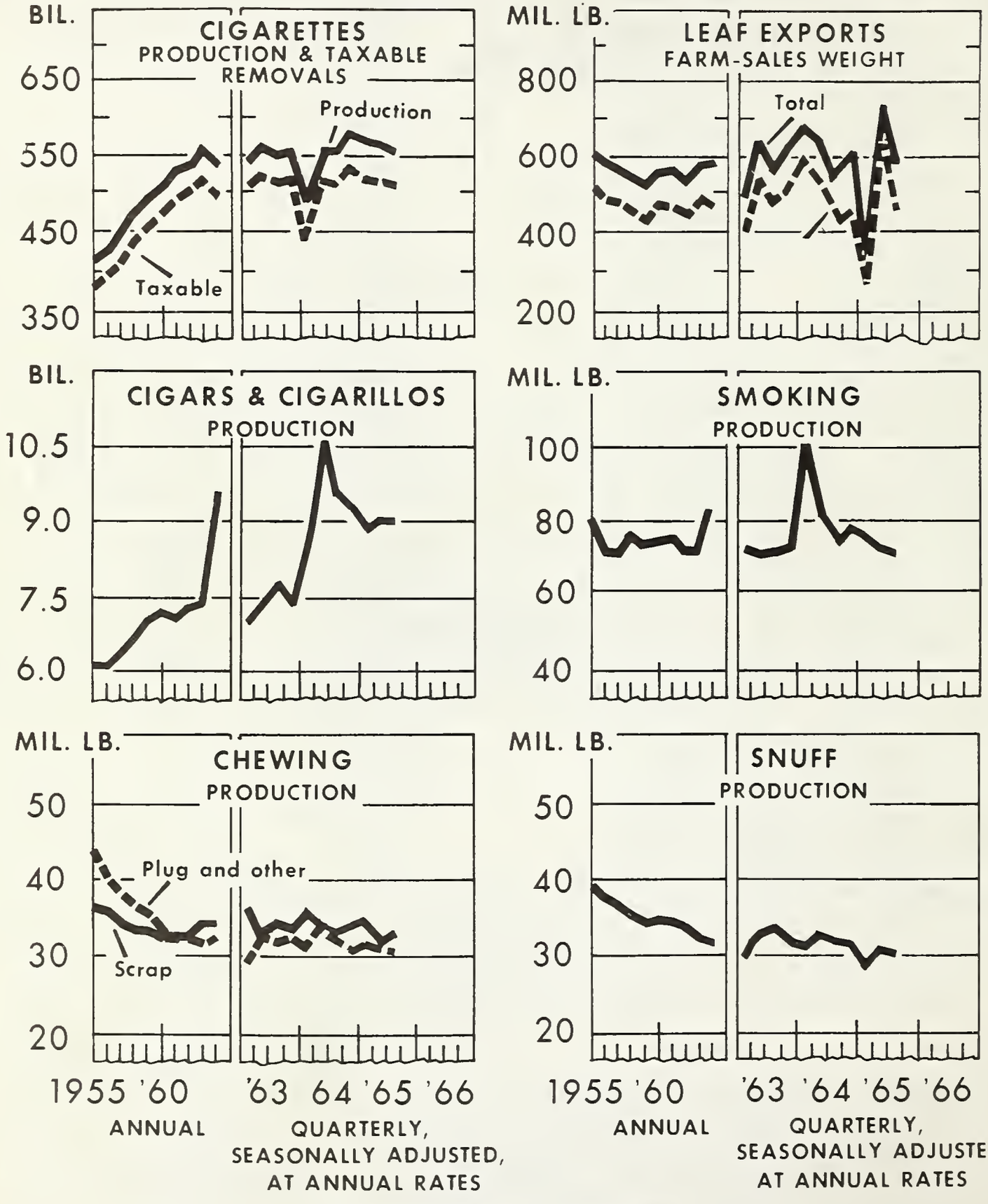
IN THIS ISSUE

Tobacco Products--Per Capita
Tobacco Used for Cigarettes
Exports--Foreign Production--Imports
Leaf Supplies and Use

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



LAST QUARTER SHOWN PARTLY ESTIMATED.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, September 22, 1965

CONTENTS

	Page		Page
Summary	3	U. S. imports of tobacco (for consumption and general)	33
Tobacco products	6	Tobacco leaf situation	36
Cigarettes	6	Flue-cured, types 11-14	36
Per capita consumption--U. S. (cigarettes and all tobacco)	8	Burley, type 31	41
Tobacco used for cigarettes	10	Maryland, type 32	45
Cigars and cigarillos	13	Fire-cured, types 21-23	47
Per capita consumption--U. S. (males--cigars, smok., chewing)	16	Dark air- and sun-cured, types 35-37	51
Smoking tobacco	17	Cigar tobacco	55
Bulk smoking tobacco exports	19	Filler, types 41-46	
Chewing tobacco	19	Binder, types 51-55	
Snuff	21	Wrapper, types 61-62	
U. S. tobacco exports	21	Foreign cigar tobacco	
Foreign production and exports	26	Statistical summary	70
British tobacco situation	29	List of tables	72

SUMMARY

The 1965-66 supply of flue-cured tobacco will be second largest on record, and of burley the largest on record. Carryover of flue-cured at the outset of the 1965-66 marketing year was up 7 percent from a year earlier; and carryover of burley is estimated to be up about 2 percent--both reaching new highs. As of September 1, the flue-cured crop was indicated to be down 15 percent from 1964, and is the smallest in 6 years; the burley crop was indicated to be nearly as large as in 1964, when it was third largest in 10 years. Carryover stocks of flue-cured by the beginning of the 1966-67 marketing year are likely to be reduced some, but burley stocks may edge upward to a new high.

Domestic use of flue-cured in 1964-65 rose a little from 1963-64 but exports were down 12 percent from the 8-year high of 1963-64. Domestic use of burley in 1964-65 is estimated to be about 4½ percent above a year earlier and exports may approach the record 1963-64 level. In 1965-66, domestic use of both flue-cured and burley is likely to increase further; exports of flue-cured are expected to rise moderately and exports of burley might increase some.

About 57 percent of the smaller 1965 flue-cured crop had been marketed by September 21. Prices through that date averaged 13 percent higher than in the comparable period of last season and far less volume was placed under Government loan for price support than in each of the previous 3 seasons. Flue-cured marketings began in late July and burley marketings usually start in late November.

U. S. cigarette output in calendar 1965 is estimated at a record 565 billion--25 billion above 1964. Consumption by U. S. smokers may be up about 5 percent over 1964 when a decline of $2\frac{1}{2}$ percent occurred from the previous peak year of 1963. This year, higher tax levies have increased cigarette prices in many States and in 1966 cigarette packages will bear a health warning. Continuing growth in the number of persons of smoking age and a favorable consumer income level seem likely to raise cigarette consumption again in 1966.

The 1965 consumption of cigars and cigarillos by U. S. smokers is estimated at almost 8.9 billion--$2\frac{1}{2}$ percent below the record 1964 level but 22 percent above 1963. In 1966, cigar consumption is expected to rise modestly from 1965. Cigarillo-size cigars accounted for one-fourth of total cigars used in 1964 and probably are accounting for a similar proportion this year. Consumption of cigarette-size cigars for 1965 seems likely to be down more than 50 percent from the unusual high of 1964.

The 1965 output of smoking tobacco for pipes and roll-your-own cigarettes is estimated at about 74 million pounds--one-tenth below the 10-year high in 1964. Imports of smoking tobacco (accounting for about 3 percent of consumption) are also likely to be lower in 1965 than in 1964.

Production of chewing tobacco in 1965 may be near 64 million pounds--probably lowest on record and about 3 percent below the 5-year high set in 1964. Output of snuff in 1965 is estimated at around 30 million pounds--4 percent less than in 1964 and probably the smallest in half a century. Production of chewing tobacco and snuff may decline further in 1966.

The Federal excise tax (amounting to 10 cents per pound) on smoking tobacco, chewing tobacco, and snuff has been repealed effective January 1, 1966.

U. S. exports of unmanufactured tobacco in 1965 may be around 500 million pounds (570 million farm-sales weight)--about 2 percent below 1964. For the year ending June 30, 1966, U. S. tobacco exports may be moderately larger than in 1964-65. Exports of flue-cured, which accounts for about four-fifths of the total, are expected to increase significantly over a year earlier when they were third smallest in 10 years. The quality of the U. S. flue-cured crop is notably better this year than last. Also, Rhodesian production this year was down from the extremely high level in 1964. World cigarette consumption continues to rise and economic activity abroad is comparatively high. On the other hand, prices of U. S. flue-cured this season have risen and foreign competition is strong. Also, importing countries maintain trade restrictions, high import duties, and preferential tariff and other trade arrangements that hamper U. S. exports.

The 1965 overall levels of Government price support for eligible kinds of tobacco are up 1 percent from 1964. The 1966 levels will be established by raising the 1959 levels in accordance with the percentage rise in the parity index, based on a comparison of the average of this index for the 3 calendar years 1963-65 with 1959. The parity index measures average change over a period of time in the prices of commodities and services commonly bought by farm families. If the parity index continues near its recent level during the rest of 1965, Government price support levels for 1966 crops of the eligible kinds of tobacco will increase about 2 percent above 1965.

The Secretary of Agriculture is required to announce the amount of the 1966 flue-cured tobacco marketing quota on an acreage-poundage basis by December 1, 1965. For burley, fire-cured, dark air-cured, and sun-cured tobaccos, marketing quotas on an acreage allotment basis must be announced by February 1, 1966. Growers of these latter kinds had voted continuation of quotas on an acreage allotment basis for their next 3 crops in referendums held in February 1964 and February 1965. Under the acreage-poundage law enacted on April 16, 1965, the Secretary--if he determines that acreage-poundage quotas would result in a more effective program--can also announce the quotas for the afore-mentioned kinds on that basis. If this were done, a special referendum (separately for each kind of tobacco) would then be held within 45 days to determine whether growers favor marketing quotas on an acreage-poundage basis for the next 3 marketing years (1966-68). If more than two-thirds of the growers voting were in favor, acreage-poundage quotas would be placed in effect; otherwise the acreage allotment program would be continued. For Maryland tobacco and the eligible kinds of cigar tobacco, 1966 marketing quotas must be announced on the acreage allotment basis by February 1, 1966, and referendums will then be held for growers to vote whether or not they approve marketing quotas on an acreage basis for their 1966, 1967, and 1968 crops. Under existing law, the 1967 crop of these tobaccos is the first that could be considered under an acreage-poundage quota determination.

The 1965-66 supply of Maryland tobacco will probably be the largest on record; the rise in carryover likely will more than offset the decrease in production from last year. The 1965-66 supply of Kentucky-Tennessee fire-cured tobacco may be a little less than in 1964-65; the reduction in production this year is likely to more than offset the rise in carryover. For Virginia fire-cured tobacco, there are only slight differences from last year in both the carryover and size of crop, so the 1965-66 total supply remains near the long-time low of 1964-65. Total supply of dark air-cured and sun-cured tobaccos for 1965-66 may be a little lower than a year earlier; little change is estimated for carryovers but production this year is smaller than in 1964.

The 1965-66 supply of Pennsylvania filler tobacco may be down some due to a drop in carryover which more than offsets a small increase in this year's crop. The 1965-66 supply of Ohio filler probably will be one of the smallest on record; though the crop is indicated to be up some, the carryover declined to a new low. Carryover stocks of Puerto Rican filler are estimated at substantially above a year ago. In the past year, stocks of imported cigar tobacco in the United States--particularly of Philippine tobacco--have jumped sharply. Other leading foreign cigar tobaccos held by U. S. dealers and manufacturers are Dominican,

Colombian, and Brazilian, but stocks of Cuban tobacco (brought in before the embargo became effective) are down to only about a fourth of that held 3 years ago.

The 1965-66 supplies of Connecticut Valley binder types are estimated to be lower than for 1964-65 and smallest on record; both production and carryover are estimated to be below last year. The 1965-66 supplies of Wisconsin tobacco are larger than for 1964-65; the 1965 crops are estimated to be moderately larger than last year and carryovers are up a little. For the cigar wrapper types, the probable record 1965 Connecticut Valley crop and a slightly larger carryover provide a total supply for 1965-66 exceeded in only 1 previous year; the moderate increase in the Georgia-Florida crop is offset by a sharp drop in carryover, so that 1965-66 total supply is smallest in 6 years.

TOBACCO PRODUCTS

Cigarettes

The 1965 calendar year output of cigarettes is estimated at a record 565 billion--25 billion above 1964 and 14 billion above the previous high in 1963. Consumption by U. S. smokers (including those overseas) in 1965 is estimated at 536 billion--a rise of nearly 5 percent over 1964 when a decline of $2\frac{1}{2}$ percent occurred from the previous peak year of 1963. Exports of about 25 billion cigarettes--second or third highest on record--and shipments to Puerto Rico and other islands, at $3\frac{3}{4}$ billion, will account for nearly all the remaining output.

The consumption of cigarettes by U. S. smokers trended steadily upward from 1955 through 1963 but declined during early 1964 following release of the Surgeon General's report on smoking and health. The gain in cigarette consumption in 1965 largely reflects the significant increase in the population in the smoking-age brackets and probably the resumption of cigarette smoking by some who stopped, and by males who turned for a time to pipes and cigars. The percentage increase in cigarette consumption during early 1965 over the year-earlier period was sizable; but smaller relative increases over a year earlier are likely in the latter part of 1965. Due mainly to continuing growth in the number of persons of smoking age, cigarette consumption in 1966 is likely to increase to a new high.

The number of cigarettes consumed per capita, 18 years and over, in 1965 is estimated at 4,318 (about 216 packages)--3 percent above 1964 and slightly below the 1963 record. (See table 2. Average consumption per smoker would exceed the per capita figure--a measure obtained by dividing total cigarette consumption by total population 18 years and over.)

Prices paid for cigarettes by consumers in 22 States rose (considerably in several States) in 1965 because of jumps in tax rates levied by these States; some other States may follow in 1966. In addition, a number of large cities and several smaller ones levy a cigarette tax. The Federal excise tax rate is 8 cents per package. On the average, the total tax on a package of cigarettes accounts for about one-half of the retail price.

Table 1 .--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to: Overseas forces and other 1/	Shipments to: Puerto Rico and U.S. islands 2/	Exports
	Billions	Billions	Billions	Billions	Billions
Average: 1947-49	380.5	345.2	11.7	1.5	22.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	509.6	14.3	3.2	23.6
1964	3/539.9	497.4	13.8	3.7	25.1
1965 4/	565.0	520.0	16.0	3.7	25.0
	Fiscal year				
Year ending June					
1961	518.0	479.4	14.1	2.7	21.6
1962	529.9	488.4	14.1	3.0	23.4
1963	543.7	503.0	14.0	3.1	23.4
1964	3/535.0	495.1	13.6	3.5	23.7
1965 5/	563.2	517.0	15.1	3.7	25.1

1/ Also includes ship stores and small tax-exempt categories.
2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.
3/ Revised.
4/ Preliminary estimate.
5/ Subject to revision.
Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-65

Year	Cigarettes 1/		All tobacco products 1/	Cigarettes (number)	Cigarettes (pounds)	All tobacco products
	Number	Pounds	Pounds	(Indexes--1957-59=100)		
1925	1,085	3.10	9.66	28	33	83
1926	1,191	3.23	9.62	30	34	83
1927	1,279	3.65	9.69	33	39	83
1928	1,366	3.75	9.58	35	40	82
1929	1,504	4.08	9.85	38	44	85
1930	1,485	4.21	9.66	38	45	83
1931	1,399	3.99	9.23	36	43	79
1932	1,245	3.42	8.23	32	37	71
1933	1,334	3.51	8.17	34	37	70
1934	1,483	3.95	8.72	38	42	75
1935	1,564	4.22	8.67	40	45	75
1936	1,754	4.77	9.33	45	51	80
1937	1,847	5.01	9.50	47	54	82
1938	1,830	4.92	9.25	47	53	80
1939	1,900	5.15	9.35	48	55	80
1940	1,976	5.35	9.62	50	57	83
1941	2,236	6.08	10.22	57	65	88
1942	2,585	7.27	11.23	66	78	97
1943	2,956	8.04	11.78	75	86	101
1944	3,039	8.12	11.53	77	87	99
1945	3,449	9.48	13.02	88	101	112
1946	3,446	9.43	12.58	88	101	108
1947	3,416	9.12	12.11	87	97	104
1948	3,505	9.42	12.36	89	101	106
1949	3,480	9.45	12.22	89	101	105
1950	3,522	9.54	12.29	90	102	106
1951	3,744	9.94	12.60	95	106	108
1952	3,886	10.44	13.11	99	112	113
1953	3,778	10.37	12.95	96	111	111
1954	3,546	9.59	12.12	90	102	104
1955	3,597	9.49	11.99	92	101	103
1956	3,650	9.35	11.65	93	100	100
1957	3,755	9.21	11.44	96	98	98
1958	3,953	9.46	11.73	101	101	101
1959	4,073	9.44	11.73	104	101	101
1960	4,172	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,196	9.16	11.48	107	98	99
1965 2/	4,318	9.42	11.60	110	101	100

1/ The weight represents the unstemmed processing-weight equivalent of the tobacco.
2/ Preliminary estimate. Some previous years revised due to population revisions.

Table 3.--Cigarette exports from the United States to leading destinations for specified periods

Country	Calendar year average 1958-62	Fiscal year ending June 30			January-July		
		1963	1964	1965 1/	1964	1965 1/	1965 as a percentage of 1964
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,481	1,811	2,277	2,749	1,520	1,610	106
Spain	464	944	1,302	2,255	1,019	948	93
Kuwait	779	1,183	1,297	1,325	774	651	84
France	1,383	1,524	1,113	1,318	695	626	90
Netherlands Antilles	900	1,034	1,153	1,267	644	726	113
Malaysia	1,161	1,493	1,452	1,208	684	747	109
Rep. of Panama 2/	473	569	653	783	490	378	77
Gibraltar (Br.)	927	1,046	965	479	484	161	33
Belgium	1,020	1,140	854	648	391	283	72
Italy	619	769	718	689	425	400	94
Sweden	628	731	723	604	378	301	80
Paraguay	85	79	439	834	340	444	131
Netherlands	562	522	557	573	314	278	89
Peru	373	680	662	550	318	289	91
Canary Islands	79	413	495	572	314	291	93
Ecuador	418	379	491	620	258	324	126
Australia	252	512	630	526	329	288	88
Lebanon	280	403	514	568	268	295	110
West Germany	524	547	540	544	297	299	101
Japan	254	477	529	457	298	229	77
Denmark	444	502	456	492	300	236	79
Other countries 3/	7,752	6,595	5,860	6,011	3,058	3,405	111
Total all countries	20,858	23,353	23,680	25,072	13,598	13,209	97

1/ Subject to revision.

2/ Includes Canal Zone.

3/ Includes over 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Table 4.--Tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1925-29	154	125	9	288	137	111	9	42	299
1930-34	192	126	10	328	170	111	9	36	326
1935-39	269	166	18	453	238	147	17	43	445
1940-44	468	248	23	739	413	220	22	45	700
1945-49	650	378	24	1,052	575	335	23	56	989
1950	698	405	24	1,127	618	358	22	64	1,062
1951	737	416	22	1,175	652	368	20	72	1,112
1952	775	435	25	1,235	686	385	23	76	1,170
1953	763	437	24	1,224	675	387	23	77	1,162
1954	707	411	22	1,140	625	364	21	77	1,087
1955	702	413	22	1,137	621	366	21	80	1,088
1956	688	418	23	1,129	610	371	21	85	1,087
1957	688	414	20	1,122	610	368	18	88	1,084
1958	712	420	18	1,150	634	374	17	100	1,125
1959	714	423	17	1,154	635	376	16	109	1,136
1960	731	437	16	1,184	651	389	16	116	1,172
1961	758	453	16	1,227	674	403	16	125	1,218
1962	745	462	16	1,223	663	411	16	126	1,216
1963	752	467	16	1,235	670	416	16	127	1,229
1964	725	448	15	1,188	646	398	15	119	1,178

Table 5.-- Tobacco used per 1,000 cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Mary-land	Total domestic	Flue-cured	Burley	Mary-land	Imported	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	1.434	1.164	.084	2.682	1.276	1.033	.084	.391	2.784
1930-34	1.616	1.061	.084	2.761	1.431	.934	.076	.303	2.744
1935-39	1.637	1.010	.110	2.757	1.449	.895	.103	.261	2.708
1940-44	1.822	.965	.090	2.877	1.608	.856	.086	.175	2.725
1945-49	1.782	1.037	.066	2.885	1.577	.919	.063	.153	2.712
1950	1.781	1.033	.061	2.875	1.577	.913	.056	.163	2.709
1951	1.760	.993	.053	2.806	1.557	.878	.048	.172	2.655
1952	1.780	.999	.057	2.836	1.575	.884	.053	.175	2.687
1953	1.803	1.033	.057	2.893	1.595	.915	.054	.182	2.746
1954	1.760	1.023	.055	2.837	1.555	.906	.052	.192	2.705
1955	1.703	1.002	.053	2.758	1.506	.888	.051	.194	2.639
1956	1.622	.985	.054	2.661	1.438	.874	.050	.200	2.562
1957	1.555	.937	.045	2.537	1.379	.832	.041	.199	2.451
1958	1.515	.893	.038	2.446	1.349	.796	.036	.212	2.393
1959	1.457	.863	.035	2.355	1.296	.768	.033	.222	2.319
1960	1.442	.862	.032	2.336	1.284	.767	.032	.229	2.312
1961	1.435	.857	.030	2.322	1.276	.763	.030	.237	2.306
1962	1.391	.863	.030	2.284	1.238	.768	.030	.235	2.271
1963	1.366	.848	.029	2.243	1.217	.756	.029	.231	2.232
1964	1.343	.830	.028	2.201	1.197	.737	.028	.220	2.182

Table 6.--Percentage distribution of tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:									
1925-29	53.5	43.4	3.1	100.0	45.8	37.1	3.0	14.1	100.0
1930-34	58.5	38.4	3.1	100.0	52.1	34.1	2.8	11.0	100.0
1935-39	59.4	36.6	4.0	100.0	53.5	33.0	3.8	9.7	100.0
1940-44	63.3	33.6	3.1	100.0	59.0	31.4	3.2	6.4	100.0
1945-49	61.8	35.9	2.3	100.0	58.1	33.9	2.3	5.7	100.0
1950	61.9	36.0	2.1	100.0	58.2	33.7	2.1	6.0	100.0
1951	62.7	35.4	1.9	100.0	58.6	33.1	1.8	6.5	100.0
1952	62.8	35.2	2.0	100.0	58.6	32.9	2.0	6.5	100.0
1953	62.3	35.7	2.0	100.0	58.1	33.3	2.0	6.6	100.0
1954	62.0	36.1	1.9	100.0	57.5	33.5	1.9	7.1	100.0
1955	61.8	36.3	1.9	100.0	57.1	33.6	1.9	7.4	100.0
1956	60.9	37.0	2.1	100.0	56.1	34.2	1.9	7.8	100.0
1957	61.3	36.9	1.8	100.0	56.3	33.9	1.7	8.1	100.0
1958	61.9	36.5	1.6	100.0	56.4	33.2	1.5	8.9	100.0
1959	61.9	36.6	1.5	100.0	55.9	33.1	1.4	9.6	100.0
1960	61.7	36.9	1.4	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.8	36.9	1.3	100.0	55.3	33.1	1.3	10.3	100.0
1962	60.9	37.8	1.3	100.0	54.5	33.8	1.3	10.4	100.0
1963	60.9	37.8	1.3	100.0	54.5	33.9	1.3	10.3	100.0
1964	61.0	37.7	1.3	100.0	54.8	33.8	1.3	10.1	100.0

The "Federal Cigarette Labeling and Advertising Act" became law July 27, 1965, and is to take effect January 1, 1966. This law will require that cigarette packages bear the following statement: "Caution: Cigarette Smoking May Be Hazardous to Your Health." The law provides that no other statement relating to smoking and health may be required on any cigarette package. The law also provides that no statement relating to smoking and health shall be required in cigarette advertising, but this provision extends only until July 1, 1969. The law further provides that by July 1, 1967 (and annually thereafter) reports shall be made to Congress by the Secretary of Health, Education, and Welfare concerning "current information on the health consequence of smoking", and by the Federal Trade Commission on "the effectiveness of cigarette labeling" and "current practices and methods of cigarette advertising and promotion". In addition, such recommendations for legislation as deemed appropriate are to be made by the Department of Health, Education, and Welfare and by the Federal Trade Commission.

The United States is the world's leading exporter of cigarettes which go to well over 100 customer countries. During January-July 1965, cigarette exports were 3 percent less than in the same period of 1964; among the leading foreign outlets, Hong Kong, Malaysia, and Netherlands Antilles increased takings but Spain, Kuwait, and France took less. Shipments to Gibraltar were down sharply. (See table 3.) The 1964-65 fiscal year exports of cigarettes totaled over 25 billion--a fiscal year record high. The 1965 calendar year figure is expected to be near this level. The declared value of cigarettes exported in January-July 1965 averaged 9 cents per 20--the same as in 1964 and 1 percent above 1963. U. S. cigarettes that are exported are not taxed by the U. S. but are generally subject to tariffs and taxes by importing countries. The recently enacted cigarette labeling law exempts from the labeling requirement packages of cigarettes for export (other countries do not require such labeling), but does not exempt from the labeling requirement cigarette packages for sale or distribution to members or units of the Armed Forces of the United States located outside the United States.

Cigars, Cigarillos, Small Cigars

The 1965 consumption of cigars and cigarillos by U. S. smokers (including those overseas) is estimated at about 8,880 million--2½ percent below the record 1964 level, but 22 percent above 1963. The proportion of cigarillo-size cigars (weighing between 3 and 10 pounds per 1,000) continues to account for a substantial part of the total; in 1964, one-fourth were cigarillo-size and indications are that a similar proportion will fall in this category in 1965.

Cigarillo sales surged sharply upward and sales of full-size cigars gained moderately during 1964 following the report on smoking and health. Available data thus far in 1965 indicate a considerable part of this gain was held. The increase in the male population of smoking age since 1963 also contributed to the increase in cigar consumption. Cigar consumption is expected to show a modest increase in 1966 over 1965.

Table 7.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals: Taxable	Removals: Tax-exempt		Total 2/	From Philippine Republic		
	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Average: 1947-49	5,668	5,618	42	5	12	2	12	5,665
1950	5,558	5,523	47	1	12	1	2	5,583
1951	5,774	5,695	85	1	14	1	3	5,792
1952	6,026	5,951	102	2	15	2	3	6,067
1953	6,122	6,025	90	10	17	3	6	6,136
1954	6,029	5,896	89	50	16	4	8	6,043
1955	6,004	5,915	82	84	20	5	6	5,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,621	144	526	24	15	33	7,282
1964	8,736	8,122	193	809	28	13	44	9,108
1965 5/	8,100	7,850	177	875	25	12	47	8,880
	Fiscal year							
Year ending June								
1961	6,685	6,565	111	259	26	6	4/14	6,947
1962	6,834	6,572	121	423	27	10	4/18	7,125
1963	6,532	6,440	139	521	23	16	4/25	7,098
1964	7,774	7,483	170	641	30	15	39	8,285
1965 6/	8,445	7,912	176	850	25	10	44	8,919

1/ Includes bonded manufacturing warehouses that made cigars from tobacco imported from a single source country; no warehouses in this category have made cigars since February 1963.
2/ Prior to the embargo on imports from Cuba (effective February 1962) cigars imported from Cuba accounted for 70 percent or more of total cigar imports except in 1961.
3/ Total removals from U. S. factories including bonded manufacturing warehouses, from Puerto Rico, imports, minus exports.
4/ Estimated--excludes little cigars.
5/ Preliminary estimate.
6/ Subject to revision.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 8.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Millions	Millions	Millions	Millions
Average: 1947-49	84.1	84.6	84.6	Neg.
1950	68.9	69.2	69.1	0.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964	973.9	973.8	939.7	34.1
1965 1/	445.0	446.0	425.0	21.0
	Fiscal year			
Year ending June				
1961	147.7	157.2	145.3	11.9
1962	164.7	163.1	156.2	6.9
1963	187.1	188.6	181.8	6.8
1964	913.2	881.5	865.1	16.4
1965 2/	437.7	477.1	443.3	33.8

1/ Preliminary estimate.
2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Table 9.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 18 years and over
	Large cigars and cigarillos 1/		Smoking tobacco 1/	Chewing tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945	112.3	2.71	3.41	2.34	.44
1946	120.4	2.93	2.12	2.21	.40
1947	112.8	2.78	2.06	1.92	.39
1948	113.7	2.80	2.09	1.85	.40
1949	109.3	2.50	2.08	1.71	.40
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.4	2.69	1.42	1.11	.26
1965 2/	147.9	2.60	1.25	1.06	.24
	1957-59=100				
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945	95	110	259	189	144
1946	102	119	161	178	129
1947	95	113	157	155	127
1948	96	114	159	149	130
1949	92	102	158	138	129
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	99	93	89	86
1964	130	109	108	90	84
1965 2/	125	106	95	86	78

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.
2/ Preliminary estimate.

Cigar and cigarillo consumption per male 18 years and over in 1965 is estimated at 148--about 4 percent below 1964, but 19 percent above 1963 and second highest in 25 years.

Cigars coming from Puerto Rico to the mainland continue to increase. In 1965, consumption of cigars from Puerto Rico likely will total about 875 million, around one-tenth of total U. S. consumption in 1965. Cigar shipments from Puerto Rico to the mainland in 1965 probably will be 4 to $4\frac{1}{2}$ times the 1960 volume.

Cigar imports from foreign countries represent a relatively small share of total consumption. During January-July 1965, cigar imports were 19 percent below the comparable period in 1964.

Exports of cigars from the United States have continued to gain and will probably absorb about one-half percent of total output. During January-July 1965, cigar exports were 8 percent above the comparable period of 1964.

The 1965 output and consumption of small cigars (about cigarette size--not over 3 pounds per 1,000) have receded from the unusually high level of 1964. Output this year is estimated at about 445 million--down more than 50 percent from 1964, but up about 60 percent from 1963 and third highest since 1929.

Smoking Tobacco

Production of smoking tobacco in 1965 is estimated at about 74 million pounds--10 percent below the previous year's output, which was largest in a decade. Estimated 1965 output, however, is above 1962 and 1963. The greater part of the 1964 gain occurred in January-June, when output and taxable removals surged upward following publication of the smoking-health report in mid-January. In the first 6 months of 1965, production of smoking tobacco was nearly a fifth below the high level a year earlier, but 5 percent above 2 years earlier. Production in the second half of 1965 will probably show relatively little change from that of a year ago.

January-July 1965 taxable removals were 17 percent below a year earlier and for the year as a whole will probably total near 71 million pounds--about 8 million less than in 1964 but above 1962 and 1963.

Consumption of smoking tobacco per male 18 years and over is estimated at $1\frac{1}{4}$ pounds in 1965--about 12 percent less than in 1964 and 15 percent less than 10 years ago.

Taxable removals of imported smoking tobacco have also lagged behind the relatively high level of a year ago. In January-July 1965, they were about a fifth below the like 1964 period. For calendar 1965, these removals will probably amount to about 2 million pounds--second only to the peak in 1964--and will comprise about 3 percent of total U. S. consumption of smoking tobacco. U. S. imports of smoking tobacco are principally from the Netherlands and the United Kingdom.

Table 10.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals		Imports, taxable 1/	Exports, in packages	Total consumption 2/	Exports, smoking tobacco in bulk 3/
		Taxable	Tax-exempt				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	106.8	4/104.6	4/2.3	0.1	1.2	105.8	1.4
1950	107.7	104.3	3.4	.1	.6	107.2	1.4
1951	101.3	97.4	4.0	.1	.7	100.8	1.9
1952	96.8	92.9	3.6	.1	.6	96.0	2.3
1953	86.6	84.2	2.4	.1	.6	86.1	4.7
1954	83.7	81.2	2.5	.1	.6	83.2	4.6
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964	82.5	79.0	3.4	2.7	1.4	83.7	12.3
1965 5/	74.0	71.0	3.0	2.0	1.0	75.0	13.0
	Fiscal year						
Year ending June							
1961	74.9	72.4	2.4	1.1	.9	75.0	8.1
1962	71.5	69.0	2.4	1.3	.8	71.9	8.5
1963	69.8	67.1	2.3	1.7	.9	70.2	9.7
1964	80.7	77.5	2.9	2.1	1.2	81.3	10.0
1965 6/	74.1	71.4	3.0	2.5	1.1	75.8	13.2

1/ Prior to July 1962, data are from Census import classification "tobacco manufactures, n.e.s." 2/ Total removals plus taxable imports minus exports in packages. 3/ Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class is not included in Internal Revenue Service output figures for smoking tobacco. 4/ Partly estimated. 5/ Preliminary estimate. 6/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and Bureau of the Census.

Exports of packaged smoking tobacco account for a comparatively small part of total output. These exports jumped around a half-million pounds to 1.4 million in 1964, but for calendar 1965 will probably fall back to about 1 million pounds. In the first 7 months of 1965, such exports were 39 percent smaller than a year earlier. Substantial cuts in takings were made by Canada, Japan, Denmark, West Germany, Iceland, Switzerland, Australia, and Hong Kong. But more exports than a year earlier went to Italy and Sweden.

Smoking Tobacco in Bulk for Export

Internal Revenue Service output figures for smoking tobacco do not include most of the smoking tobacco exported in bulk form. This export classification includes specially prepared cigarette tobacco, cut and granulated tobacco, partially processed blended tobacco, and shredded tobacco. Exports of smoking tobacco in bulk have increased from the 1953-57 average of about 5 million pounds to more than 12 million in 1964 and will probably reach 13 million pounds in 1965. Much of the gain in recent years is probably associated with the increased number of U. S. brands of cigarettes produced abroad, either under licensing arrangements or by foreign subsidiaries of U. S. firms. In the first 7 months of 1965, exports of smoking tobacco in bulk were 15 percent ahead of those a year earlier. Switzerland and Mexico together accounted for nearly half of the total. Switzerland, leading outlet for the past several years, increased takings 28 percent while shipments to Mexico were about 5 times the year-earlier figure. Other countries taking more than a year earlier included Finland, Panama, and Peru. Reduced exports went to Spain, Ecuador, Haiti, Dominican Republic, and Bolivia.

Chewing Tobacco

Production of chewing tobacco in 1965 may be near 64 million pounds--about 2 million less than in 1964 and probably lowest on record. Output, which had trended downwards, leveled off at approximately 65 million pounds annually in 1960-63. In 1964, it increased to a 5-year high of about 66 million pounds, principally due to a gain in plug chewing. The reduced output estimated for 1965 might indicate a resumption of the downward trend.

Scrap chewing and plug chewing make up 52 percent and 38 percent, respectively, of the estimated 1965 total chewing output. Ten years ago, the split was 45 percent scrap and 46 percent plug. The 1965 output of scrap may be down about 3 percent and that of plug, about 5 percent. Scrap chewing uses substantial quantities of Wisconsin cigar binder types and some Pennsylvania filler, while plug chewing mainly utilizes dark air-cured and burley.

Twist and fine-cut make up the remaining 10 percent of 1965 estimated chewing tobacco production. Not much change is expected in production of twist, but that of fine-cut may be up some.

The 1965 consumption of chewing tobacco per male, 18 years and over, is estimated at a little below that of 1964 but about a fourth less than 10 years ago. (See table 9.)

Table 11.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Snuff
	Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1947-49	44.9	5.5	3.3	41.3	95.0	40.3
1950	40.3	5.5	2.7	39.0	87.5	40.0
1951	39.9	4.6	2.8	39.1	86.4	39.5
1952	39.1	4.8	2.8	38.2	84.9	38.8
1953	38.1	4.7	2.9	38.1	83.8	39.1
1954	36.9	4.9	2.9	36.6	81.3	38.5
1955	36.5	4.5	3.0	36.0	80.0	39.2
1956	33.0	4.3	2.9	35.5	75.7	37.7
1957	31.6	4.0	2.8	34.0	72.4	36.1
1958	29.6	3.8	2.9	33.0	69.3	34.8
1959	28.6	3.6	3.0	33.0	68.2	34.3
1960	26.4	3.4	3.1	32.0	64.9	34.6
1961	26.0	3.3	3.2	32.7	65.2	33.8
1962	26.0	2.9	3.3	32.5	64.7	33.2
1963	24.9	2.9	3.3	34.2	65.3	31.8
1964	25.9	2.8	3.5	34.0	66.2	31.4
1965 1/	24.5	2.8	3.7	33.0	64.0	30.0
	Fiscal year					
Year ending June						
1961	26.0	3.3	3.1	32.6	65.0	33.8
1962	26.0	3.0	3.2	32.5	64.7	32.9
1963	25.1	3.0	3.3	33.6	65.0	32.7
1964	25.9	2.8	3.4	34.2	66.3	31.9
1965 2/	25.1	2.8	3.6	33.4	64.9	30.3

1/ Preliminary estimate.
2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

All except a small fraction of chewing tobacco is consumed domestically. Exports, consisting mostly of twist and plug, have trended downwards and in 1964 were less than half of those 5 years earlier. In January-July 1965, exports were over a third smaller than a year earlier. Consignments to Australia, leading outlet, declined 44 percent and substantially less than a year ago also went to Panama and Netherlands Antilles. French Pacific Islands took a little more than in January-July 1964.

Snuff

Production of snuff in 1965 is estimated at around 30 million pounds--4 percent less than in 1964 and probably the smallest in more than a half-century. For about 10 years following World War II, snuff output was relatively stable between 39 and 41 million pounds, but has trended downwards since 1956. The downtrend is expected to continue.

Practically the entire output of snuff is consumed domestically, mainly in the South and Northwest, and in industries where smoking is hazardous or inconvenient. Snuff provides the principal domestic outlet for the fire-cured types.

On a per capita basis, snuff consumption has been declining for many years. The 1965 per capita consumption of persons 18 years and over is estimated at 8 percent below 1964 and nearly a third less than 10 years ago. (See table 9.)

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1965 may be around 500 million pounds (about 570 million farm-sales weight)--about 2 percent below 1964. During January-July 1965, exports were 27 million pounds or 12 percent below the corresponding months of 1964. Exports for the remainder of 1965 are expected to show an increase over the like 1964 period, but the increase is not likely to fully offset the decline thus far. Around four-fifths of U.S. unmanufactured tobacco exports consists of flue-cured, shipments of which usually are heaviest in September-December after substantial quantities have been marketed. With improved quality of 1965-crop marketings, flue-cured exports are expected to increase over those a year ago.

For the year ending June 30, 1966, U.S. tobacco exports may be moderately larger than the 480 million pounds (export weight) in 1964-65. Exports of flue-cured, the principal export class, are expected to show a significant increase over 1964-65, when they were third smallest in 10 years.

Favoring U.S. tobacco exports are the continued rise in world cigarette consumption, comparatively high level of economic activity abroad, and favorable gold and dollar reserves of most foreign markets. The acreage-poundage program adopted for flue-cured will also be of assistance, by promoting improved quality of the principal U.S. export tobacco. Adverse factors, however, are the strong foreign competition and trade restrictions abroad which hamper U.S. exports.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 12.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

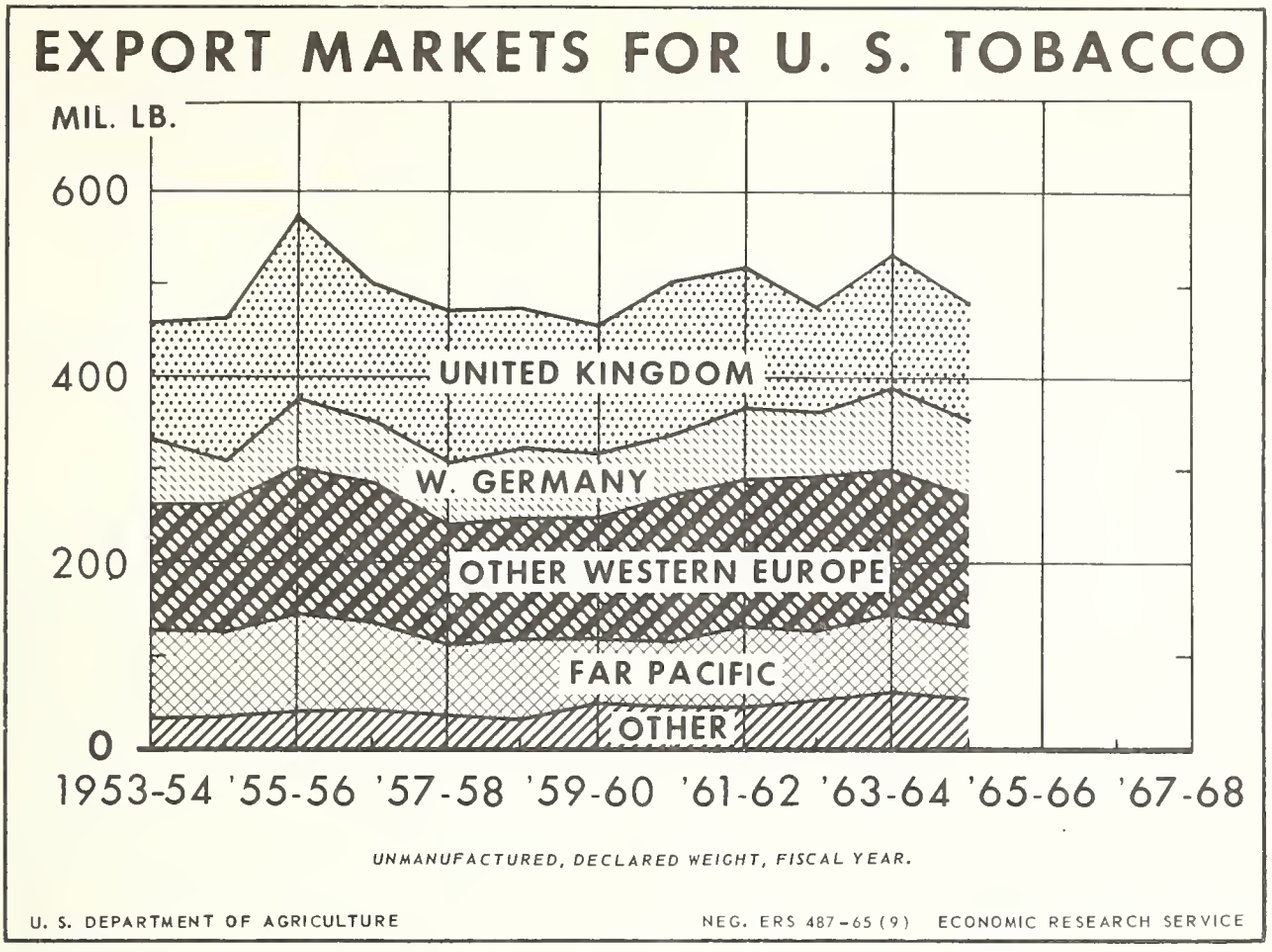
(Declared weight)

Country and type	Year ending June 30				January-July		
	Average 1958-62	1963	1964 1/	1965 1/	1964 1/	1965 1/	1965 as a percentage of 1964
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	397.7	370.4	422.9	368.7	174.3	153.5	88
Burley	30.9	46.5	46.0	47.1	28.4	23.4	82
Maryland	12.0	11.4	11.6	10.4	5.6	3.8	68
Va. fire-cured and sun-cured	4.9	5.1	4.8	4.8	2.7	2.9	107
Ky. and Tenn. fire-cured	19.5	17.8	16.3	18.8	9.4	8.0	85
Green River	1.0	.3	.8	1.2	.5	.4	80
One Sucker	1.2	.5	.4	.7	.1	.1	100
Black Fat, etc.	4.6	4.1	3.4	3.8	1.9	1.9	100
Cigar wrapper	4.2	4.4	5.6	3.8	3.6	2.4	67
Cigar binder	2.7	1.1	1.4	2.1	1.1	1.9	173
Cigar filler	.5	.2	.5	.6	.3	.2	67
Perique	.1	.2	.2	.4	.1	.3	300
Stems, trimmings and scrap	5.6	11.3	18.3	17.5	6.6	8.7	132
Total	485.3	473.3	532.1	479.9	234.6	207.5	88
Country of destination:							
United Kingdom	154.8	109.0	144.9	123.2	35.2	33.0	94
France	6.2	6.2	6.3	5.7	4.4	3.0	68
Belgium	172.2	15.7	18.6	15.9	8.7	7.5	86
Netherlands	29.0	30.2	35.6	29.7	17.3	14.9	86
Germany, West	71.8	74.6	89.1	83.8	46.5	46.6	100
Portugal	6.8	7.8	7.7	4.5	5.6	2.1	38
Denmark	13.5	13.6	14.3	14.9	6.2	9.3	150
Ireland	12.0	23.8	15.1	10.8	5.9	6.2	105
Switzerland	12.0	12.9	12.1	13.4	6.5	5.2	80
Norway	7.2	8.6	6.5	5.5	4.8	2.7	56
Sweden	13.9	14.4	19.0	16.5	8.4	4.2	50
Italy	9.0	19.5	3.6	11.6	4.6	8.3	180
Thailand	10.8	8.1	9.0	12.5	6.4	7.0	109
Australia	24.0	17.6	17.8	15.1	7.9	8.6	109
India	1.8	2.4	1.5	.6	0	0	---
Pakistan	1.3	2.2	.9	1.2	.8	1.2	150
New Zealand	6.0	4.8	2.9	3.0	2.2	1.5	68
Philippine Rep.	3.5	2/	2/	1.1	2/	.3	---
Indonesia	2.6	3.8	0	0	0	0	---
Egypt	7.7	13.4	17.6	5.2	15.2	6.2	41
Japan	14.5	22.2	33.1	23.4	7.4	0	---
Spain	3.5	1.2	3.1	3.5	3.1	3.7	119
Other countries	56.2	61.3	73.4	78.8	37.5	36.0	96
Total	485.3	473.3	532.1	479.9	234.6	207.5	88

1/ Preliminary.

2/ Less than 50,000 pounds.

Compiled from publications and records of the Bureau of the Census.



Preferential tariff arrangements in the United Kingdom and the European Common Market--principal world tobacco importers--add to the price disadvantage of U.S. tobacco. Another adverse factor, from a longer-range standpoint, is that world requirements for tobacco are not expected to keep pace with gains in cigarette production. Continued growth in filter-tip cigarettes, together with economies in leaf utilization and increasing dependence on local leaf supplies in some countries, will limit expansion in world tobacco trade.

Included in U.S. tobacco exports are shipments made under several programs of the Agricultural Trade Development and Assistance Act (Public Law 480). Title I, P. L. 480 authorizes sales of surplus agricultural commodities to dollar-short countries for foreign currencies. Expiration date of Title I, under present legislation, is December 31, 1966. In the year ended June 30, 1965, about 21 million pounds of tobacco were shipped under Title I, P. L. 480, down about two-fifths from the previous year and smallest since 1954-55, when the program was getting underway. Recipient countries and quantities taken were as follows: South Vietnam, 8.2 million pounds; Congo (Leopoldville), 5.4 million; Poland, 3.5 million; Taiwan, 2.2 million; Pakistan, 1.2 million; India, 0.6 million; and Israel, 0.3 million. Remaining to be shipped after June 30, 1965, on prior purchase authorizations, were about 19½ million pounds--mainly to Egypt and South Vietnam. Shipments to Egypt--estimated at around 9½ million pounds--are to be made by October 31, 1965, and those to South Vietnam--an estimated 8 million--by December 31, 1965. Title I purchase authorizations issued since July 1, 1965, include 5 million pounds to Congo and approximately 1 million pounds each to Pakistan and South Vietnam--all to be shipped by December 31, 1965.

Table 13.--Tobacco exports under Government-financed programs, fiscal years 1955-65

Year ending June 30	Public Law 480				Mutual Security and A.I.D. programs	Total under Government-financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Title I, foreign currency sales	Title III, barter sales	Title IV, long-term dollar credit sales	Total				
	Quantity (export weight)							
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
1955	5.4	---	---	5.4	22.0	27.4	461.6	5.9
1956	78.0	---	---	78.0	3.5	81.5	577.7	14.1
1957	53.2	---	---	53.2	.8	54.0	500.7	10.8
1958	34.6	0.5	---	35.1	---	35.1	472.3	7.4
1959	41.1	1.5	---	42.6	5.7	48.3	473.3	10.2
1960	41.9	29.4	---	71.3	23.2	94.5	456.6	20.7
1961	40.2	40.4	---	80.6	20.0	100.6	504.2	20.0
1962	26.1	77.4	---	103.5	2.8	106.3	520.0	20.4
1963	28.7	18.1	1.2	48.0	---	48.0	473.3	10.1
1964	35.5	15.4	3.8	54.7	.6	55.3	532.1	10.4
1965 1/	21.2	18.8	4.4	44.4	5.1	49.5	479.9	10.3
	Value							
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Percent
1955	4.0	---	---	4.0	11.4	15.4	306.4	5.0
1956	55.0	---	---	55.0	1.6	56.6	379.5	14.9
1957	36.6	---	---	36.6	.7	37.3	340.1	11.0
1958	25.9	0.4	---	26.3	---	26.3	342.9	7.7
1959	30.7	1.0	---	31.7	2.8	34.5	350.2	9.9
1960	30.8	19.6	---	50.4	18.4	68.8	341.9	20.1
1961	29.4	25.1	---	54.5	16.5	71.0	385.2	18.4
1962	19.6	46.3	---	65.9	1.8	67.7	407.5	16.6
1963	22.5	12.4	1.6	36.5	---	36.5	378.4	9.6
1964	23.8	8.5	2.9	35.2	.8	36.0	420.7	8.6
1965 1/	14.9	13.1	4.5	32.5	2.8	35.3	395.3	8.9

1/ P. L. 480 exports preliminary; subject to revision. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods); these sales amounted to about 1 million pounds in fiscal 1964 and about 100,000 pounds in fiscal 1965.

Title III of P. L. 480 authorizes barter of surplus agricultural commodities for foreign-produced materials, goods, equipment, and services. Reasonable precautions must be exercised to safeguard usual U. S. marketings and to assure that barter will not unduly disrupt world prices of agricultural commodities or replace dollar sales. In the year ended June 30, 1965, exports under the barter program amounted to nearly 19 million pounds, about 3½ million more than in 1963-64. Principal recipients of barter tobacco in 1964-65 were West Germany, 3.5 million pounds; United Kingdom, 2.8 million; Egypt, 2.5 million; Portugal, 2.1 million; Spain, 1.7 million; and Hong Kong, 1.3 million. The rest went to 14 destinations, mainly Finland, Japan, the Netherlands, Uruguay, Taiwan, and the Philippine Republic.

Title IV, P. L. 480 authorizes sales under long-term supply and dollar credit arrangements. Exports under Title IV in the year ended June 30, 1965, were about 4½ million pounds--moderately above the previous year--and went mostly to Taiwan, Chile, Dominican Republic, and Iceland; some went to Ryukyu Islands and Sierra Leone. Around 2 million pounds remained to be shipped by December 31, 1965--mostly to Dominican Republic; 2 additional purchase authorizations issued in August provide for around 1 million pounds to Ecuador, also to be shipped by December 31, 1965.

Little or no tobacco exports under Agency for International Development (AID) programs were made in fiscal 1963 and 1964, but in the year ended June 30, 1965, about 5 million pounds were shipped under these programs.

Exports under Government-financed programs in fiscal 1964-65 totaled about 50 million pounds--10 percent of total tobacco exports, the same percentage as in the preceding 2 fiscal years. (See table 13.)

Tobacco exports were also made in fiscal years 1962-65 under the Section 32 program. This program announced in February 1962, provided for payments to tobacco exporters from Section 32 funds on export sales of Government loan stocks of leaf tobacco from 1956 and earlier crops. The rate of payment was 20 percent of the base purchase price. Export sales included those under barter arrangements and for foreign currency, but by far the greater amount of export payments were made on commercial sales for dollars. The final date for making application for sales of tobacco under the export payment program was November 30, 1964; the final date for making shipment originally was March 31, 1965, but this date was extended to May 31, 1965, because of the dock strike early this year. A total of 68 million pounds of tobacco, 57½ million consisting of flue-cured, was exported under the program, on which payments of $7 million were made. Exports and payments, by fiscal year, are shown in table 14.

Table 14.--Exports of tobacco and payments to exporters under Section 32 program, fiscal years 1962-65

Year ending June 30 and kind	Exports	Payments	Year ending June 30 and kind	Exports	Payments
	Mil. lb.	Mil. dol.		Mil. lb.	Mil. dol.
1962			1965		
Flue-cured	2.0	0.2	Flue-cured	6.7	0.6
Other	.7	.1	Other	2.3	.2
Total	2.7	.3	Total	9.0	.8
1963			Program total:		
Flue-cured	21.6	2.6	Flue-cured	57.4	5.9
Other	3.6	.4	Other	10.6	1.1
Total	25.2	3.0	Total	68.0	7.0
1964					
Flue-cured	27.1	2.5			
Other	4.0	.4			
Total	31.1	2.9			

Foreign Producing and Exporting Countries

Flue-cured tobacco is the leading kind entering international trade, comprising about 45 percent of free-world tobacco trade in recent years. In world markets, U.S. flue-cured meets competition chiefly from flue-cured exported from Rhodesia, Canada, and India. Turkey and Greece are the main producers and exporters of oriental tobacco, also a light cigarette tobacco. Oriental tobacco ranks second to flue-cured in volume of trade.

The flue-cured crop harvested in early 1965 in Rhodesia, Zambia, and Malawi (the former Federation of Rhodesia and Nyasaland) is estimated at around 250 million pounds--nearly a fourth below the record crop of the previous year but still the second largest ever produced in the former Federation. Estimates of acreage have been revised downward substantially from earlier forecasts. The 1965 crop was produced under a voluntary control program, and Rhodesian flue-cured growers rejected mandatory control of future production in a referendum held in July 1965. The Rhodesian Tobacco Association has announced a goal of about 280 million pounds of flue-cured for harvest in 1966. This goal would apply to Rhodesia only and compares with an estimated Rhodesian production of 230 million pounds in 1965.

Sales on the Salisbury auctions (including flue-cured from Western Zambia) were completed September 10. They totaled 246 million pounds, and averaged the equivalent of 38.5 U. S. cents per pound, more than a fourth above the preceding year but otherwise lowest in 9 years. In the 1964 sales season, 324 million

Table 15.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average 1950-54	Average 1957-61	1962	1963	1964 1/	1965 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
	Flue-cured					
Canada	138.0	177.3	187.6	186.6	143.2	165.0
India	101.9	136.7	170.2	185.9	242.8	195.0
Rhodesia, Zambia, Malawi	117.0	191.8	234.4	199.9	328.9	250.0
Total, countries shown	356.9	505.8	592.2	572.4	714.9	610.0
	Oriental					
Greece	128.3	182.2	205.3	279.7	285.9	272.0
Turkey	214.4	262.2	197.4	289.7	390.5	317.0
Total, countries shown	342.7	444.4	402.7	569.4	676.4	589.0

1/ Preliminary; subject to revision.

Compiled from reports of Foreign Agricultural Service.

pounds were sold, averaging 30.3 cents, lowest in many years. United Kingdom buyers bought about 112 million pounds of flue-cured on this year's Salisbury auctions, compared with 121 million in 1964 and 108 million in 1963. British manufacturers had estimated their requirements for 1965 at 105 million pounds; for 1966-68, requirements are estimated at 100-105 million pounds annually.

The 1964 exports of flue-cured tobacco from Rhodesia and Western Zambia (accounting for most of the production in the former Federation of Rhodesia and Nyasaland) totaled a record 221 million pounds (dry weight)--more than a fifth larger than in 1963. A part of the exceptionally large crop harvested in 1964 was carried over to 1965, and in the first 6 months of 1965, flue-cured exports from Rhodesia and Western Zambia amounted to 87 million pounds--20 million more than a year earlier. Two-fifths of the total was consigned to the United Kingdom, which increased takings a little. Other Commonwealth destinations, chiefly Malaysia, Hong Kong, Australia, and New Zealand, accounted for about an eighth. Major European non-Commonwealth markets, all taking substantially more than in January-June 1964, included West Germany, 18.0 million pounds; the Netherlands, 6.3 million; Belgium, 2.7 million; France, 1.9 million; Austria, 1.7 million; and Switzerland, 1.1 million. Some was also exported to Denmark, Norway, Sweden, and Portugal. About 1 million pounds--virtually the same as a year earlier--went to Japan.

The 1965 flue-cured crop in Canada is now estimated at about 165 million pounds--15 percent above the 1964 crop, which was smallest in 9 years. Some hail damage in Ontario (where most of the crop is produced) and frost in Quebec lowered the production estimate from the previous forecast. The 1965 acreage was expanded about a sixth over the previous year.

Canada's exports of flue-cured in 1964 reached a record 49 million pounds. In January-May 1965, however, they were about a third below a year earlier. About 85 percent was shipped to the United Kingdom, and the rest to Denmark, the Netherlands, Belgium, West Germany, and Norway; all destinations, except Norway, took less than a year ago. None was shipped to the Soviet Union, Czechoslovakia, or Japan, each of which received substantial quantities a year earlier.

India's 1965 flue-cured tobacco crop is placed at about 195 million pounds--20 percent less than the record 1964 production. Record exports in 1964 and the high rate during the first third of 1965 reflect the peak production in 1964. In January-April 1965, flue-cured tobacco exports amounted to about 33 million pounds, compared with about 20½ million 1 year earlier and 27½ million 2 years earlier. About 43 percent of the recent period's total went to the United Kingdom and 38 percent, to the Soviet Union. The United Kingdom increased takings nearly a fourth, while those of the Soviet Union about doubled. Exports to Egypt jumped sharply over those a year earlier.

In Turkey, the 1965 production of oriental tobacco is estimated at 317 million pounds--nearly a fifth less than the huge 1964 crop but well above any other year. Plantings were reduced in the low lands because of excessive rainfall and flood conditions, and blue-mold destruction of some seed beds. Exports in January-May 1965, at nearly 61 million pounds, were 10 million higher than in the same months of 1964. The United States, accounting for about two-thirds

of the total, boosted takings 37 percent. More than a year ago was also exported to Poland, Hungary, Czechoslovakia, Belgium, and France, but less to West and East Germany.

The 1965 production of oriental tobacco in Greece, estimated at 272 million pounds, is 5 percent less than the record 1964 crop and 3 percent less than 1963. In January-June 1965, Greece exported 76 million pounds of unmanufactured tobacco, 29 percent more than a year earlier. Exports to the United States, leading destination, rose about an eighth. Sharply increased exports were also made to West Germany, Poland, Soviet Union, East Germany, Egypt, Portugal, and Israel, while a significant quantity was shipped to France, in contrast to none last year and 2 years earlier. Japan took 1.8 million pounds; a year earlier, only a minor quantity went there, and 2 years earlier, none. Countries taking less than in January-June 1964 included Italy, Czechoslovakia, Hungary, and Austria.

Long-range prospects for expanding production and exports of Greek oriental tobacco are reported to be limited by rising labor costs. Greece is now producing burley well beyond the experimental stage. Its lower price compared with U. S. burley and preferential tariff treatment in the European Common Market have won Greek burley a market--mainly in West Germany--despite its inferior quality compared with that of U.S. burley. The 1965 acreage planted to burley in Greece is estimated about a sixth larger than the previous year, and 1965 production may total about 9 million pounds compared with about 8 million in 1964.

British Tobacco Situation

The United Kingdom is the world's largest importer of tobacco, and the single largest foreign market for U.S. tobacco, on the average accounting for 28 percent of all U. S. exports of unmanufactured tobacco and 33 percent of U.S. flue-cured exports in 1960-64. Tobacco imports consist principally of flue-cured, and are used both for home consumption and export of manufactured products, chiefly cigarettes.

In the United Kingdom, gross clearances of tobacco are a measure of total use by manufacturers, both for domestic consumption and export. Between 1950 and 1960, these clearances increased steadily at an average rate of about 1.7 percent a year to a peak of 319 million pounds. In recent years, gross clearances have shown a downward trend and in 1964 amounted to 308 million pounds. In the first half of 1965, gross clearances were about $2\frac{1}{2}$ percent below a year earlier. The decrease was attributable to reduced home consumption as exports of manufactured tobacco were up over the year-earlier level. Gross clearances of flue-cured in January-June 1965 totaled 139 million pounds--almost 4 million less than a year earlier. Flue-cured from the United States declined nearly $7\frac{1}{2}$ million pounds (11 percent) and made up 44.3 percent of total flue-cured gross clearances, compared with 48.3 percent 1 year earlier and 49.4 percent 2 years earlier. Flue-cured from the 3 Commonwealth suppliers--Rhodesia, India,

Table 16.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31 3/	Gross clearances from bond 4/			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	From U.S. 2/	From Commonwealth countries 2/	Total		Non-preferential 2/	Preferential 2/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	529	169	135	304	41	3
1958	164	145	316	529	172	138	310	41	2
1959	140	155	300	509	171	144	315	34	2
1960	178	180	365	538	167	152	319	31	5
1961	157	182	345	563	161	156	317	31	3
1962	106	168	280	540	153	154	307	28	3
1963	145	174	325	536	154	159	313	29	3
1964 5/	123	181	313	541	145	163	308	26	4
Jan.-July									
1961	19	105	126	6/ 474	*83	*80	*163	19	1
1962	15	103	121	6/ 502	*75	*74	*149	17	2
1963	30	93	126	6/ 468	*76	*78	*154	17	2
1964	32	86	123	6/ 478	*73	*79	*152	14	2
1965	35	91	131	6/ 477	*66	*82	*148	18	3

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision. 6/ Stocks as of June 30. *Jan.-June.

Compiled from official United Kingdom sources.

Table 17.--Unmanufactured tobacco imports into the United Kingdom from major sources, 1950-65

Year ending June 30	United States	Rhodesia, Zambia, and Malawi	India	Canada	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	162.4	64.9	46.6	15.0	13.7	1.3	5.5	309.4
1951	146.7	82.6	42.1	20.2	1.9	1.0	6.9	301.4
1952	223.1	62.0	43.8	36.2	1.9	1.2	10.8	379.0
1953	105.0	74.0	32.3	12.4	1.2	.8	14.7	240.4
1954	127.4	69.4	34.0	32.3	2.1	1.0	14.6	280.8
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.2	90.9	39.5	32.1	.1	.3	6.8	316.9
1961	166.7	107.3	45.1	36.3	.4	.3	6.4	362.5
1962	154.0	101.0	37.9	33.7	.3	.4	5.9	333.2
1963	117.5	94.3	32.5	32.2	.4	.3	6.9	284.1
1964	147.7	96.7	36.3	36.1	.4	.4	7.4	325.0
1965 1/	121.8	107.4	35.4	32.5	.6	.3	7.6	305.6
	Percentage change							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average: 1950-54 to 1965	-20.3	52.1	-11.1	40.1	-85.7	-72.7	-27.6	1.1
1964 to 1965	-17.5	11.1	- 2.5	-10.0	50.0	-25.0	2.7	-6.0
	Percentage distribution							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1950	52.5	21.0	15.1	4.9	4.4	.4	1.7	100.0
1951	48.6	27.4	14.0	6.7	.6	.3	2.4	100.0
1952	58.9	16.4	11.5	9.6	.5	.3	2.8	100.0
1953	43.7	30.8	13.4	5.2	.5	.3	6.1	100.0
1954	45.4	24.7	12.1	11.5	.7	.4	5.2	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0
1961	46.0	29.6	12.4	10.0	.1	.1	1.8	100.0
1962	46.2	30.3	11.4	10.1	.1	.1	1.8	100.0
1963	41.4	33.2	11.4	11.3	.1	.1	2.5	100.0
1964	45.4	29.8	11.2	11.1	.1	.1	2.3	100.0
1965	39.9	35.1	11.6	10.6	.2	.1	2.5	100.0

1/ Subject to revision.

Basic data compiled from official United Kingdom sources.

and Canada--increased 3½ million pounds or about 5 percent, due to a substantial rise in Rhodesian flue-cured and some increase in Canadian; Indian flue-cured declined about a sixth.

Domestic consumption (net clearances from bond) in January-June 1965 were nearly 5 percent less than a year earlier. Reports indicate that cigarette sales declined after prices were increased last April. Also, the increasing proportion of filter-tip cigarettes sold in the United Kingdom has tended to reduce manufacturers' leaf requirements, since filter-tips generally require less tobacco than nonfilter-tips. Filter-tip cigarettes are cheaper than nonfilter-tip cigarettes in Britain, adding to their popularity. Providing an additional impetus to sales of filter-tip cigarettes was the price rise for cigarettes in April 1965, which increased the retail price of standard untipped cigarettes by the equivalent of 7 cents to 76 cents a pack of 20, and regular-size filter-tipped cigarettes, 6 cents to 64 cents. In 1964, filter-tip cigarettes had made up 42 percent of total cigarette sales. This proportion is estimated to have risen to 47 percent just prior to the price increase, and by mid-1965 was reported to be around 53 percent.

The United Kingdom ranks second only to the United States as an exporter of cigarettes. British tobacco exports have been trending downwards for some years, but in the first 6 months of 1965, exports of cigarettes were 23 percent above a year earlier. Exports to Kuwait more than doubled, and increased exports also went to Hong Kong, Malaysia, Sudan, France, West Germany, Persian Gulf States, French Somaliland, and Libya. On the other hand, fewer British cigarettes than a year earlier were shipped to Aden, Togo, Cyprus, and Gibraltar.

Imports of unmanufactured tobacco in the year ended June 30, 1965, totaled about 306 million pounds--6 percent less than 1 year earlier but 8 percent above the relatively low level 2 years earlier. Imports from the United States dropped about 18 percent; those from Canada and India were down 10 percent and about 2½ percent, respectively. But imports from Rhodesia, Zambia, and Malawi increased 11 percent. The proportion of total imports provided by the United States was lowest in many years. (See table 17.)

The main duty on unmanufactured tobacco imported into the United Kingdom from non-Commonwealth sources is equivalent to $12.23 a pound. Commonwealth sources, which include Rhodesia, Zambia, Malawi, India, and Canada, receive a preferential rate equivalent to $12.01½ a pound. Duties account for nearly 80 percent of the retail price of popular brands of cigarettes.

At the end of June 1965, stocks of tobacco in the United Kingdom totaled 477 million pounds--slightly less than a year earlier. Stocks amounted to about 18-3/4 months' use, as represented by July 1964-June 1965 gross clearances. A year earlier, stocks were equal to about 18½ months' use, and 2 years earlier they were equal to 18 months' use. In the 8 years before 1963, mid-year holdings generally ranged between 17 and 18 months' duration. On June 30, 1965, British manufacturers' stocks of U.S. flue-cured, at 208 million pounds, were down 5 percent to the lowest in 10 years. However, when considered against the reduced usings of U. S. flue-cured in 1964-65, these stocks were

equal to nearly 19½ months' use, compared with 18½ months' use 1 year earlier and 18 months' use 2 years earlier. June 30, 1965, stocks of Rhodesian flue-cured, at 122½ million pounds, were 11 percent above a year earlier and largest on record. Stocks of Canadian flue-cured, at 58 million pounds, and Indian, at 49½ million, declined 2 percent and 6 percent, respectively. Mid-1965 holdings of dark fire-cured from Malawi were down slightly, while those of air- and sun-cured from that source were down moderately. Stocks of air- and sun-cured from India gained about a sixth compared with a year earlier.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO 2/

The world's largest producer and exporter of tobacco, the United States is also a major importer, purchasing foreign-grown tobacco mainly for blending with domestic types in the manufacture of cigarettes and cigars.

Tobacco imports for consumption in the year ended June 30, 1965, totaled 184 million pounds--11 percent above 1963-64 and the largest on record. Almost three-fourths of the 1964-65 imports consisted of cigarette leaf, and nearly all the rest was for use in cigars.

Cigarette leaf imports, at 132 million pounds, rose 6 percent over the preceding year, when there was a decline attributable to reduced imports accompanying lower cigarette manufacture in January-June 1964. The 1964-65 receipts from Greece increased about a fifth, but those from Turkey declined a little. Imports from Yugoslavia continued the rise of recent years, and were 22 percent larger than 1963-64.

Imports for consumption consist principally of merchandise released from Customs custody immediately upon arrival (direct entries) plus withdrawals from bonded warehouses. Imports for consumption are usually taken as a measure of manufacturers' use. General imports or total arrivals from abroad represent direct entries plus that placed in bonded storage warehouses. In the year ended June 30, 1965, total arrivals of cigarette leaf jumped 66 percent over the relatively low level of the previous year. General imports from Turkey spurted far ahead of 1963-64; those from Greece were unchanged. (See table 19.)

Stocks of foreign-grown cigarette and smoking tobacco in this country on July 1 totaled about 317 million pounds, farm-sales weight equivalent, about a tenth higher than 1 year earlier but a little below 2 years earlier.

In the year ended June 30, 1965, imports of scrap--small pieces of leaves used mainly in cigars and which make up the chief category of U.S. cigar tobacco imports for consumption--increased more than a fifth over a year earlier. Gains were recorded in receipts from the Philippine Republic, Dominican Republic,

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on a farm-sales weight basis.

Table 18.--United States imports for consumption of unmanufactured tobacco from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Year ending June 30				January-July		
	Average 1958-62	1963	1964 1/	1965 1/	1964 1/	1965 1/	1965 as a percentage of 1964
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Cigarette leaf:							
Unstemmed:							
Turkey	71.7	83.4	79.6	77.8	43.7	49.0	112
Greece	31.1	29.7	28.9	35.1	17.7	21.4	121
Yugoslavia	5.1	8.4	10.1	12.3	6.0	7.9	132
Italy	1.7	1.8	1.2	2.1	.7	1.1	157
Cyprus	1.0	.6	.8	.7	.5	.5	100
Syria	.9	.3	.4	.3	.2	.1	50
Total 2/	114.1	126.5	123.5	131.4	70.2	82.1	117
Flue-cured and burley:	3/ .2	.5	.4	.5	.2	.3	150
Cigar leaf (filler):							
Cuba:							
Stemmed	7.3	1.7	.6	.3	.3	.1	33
Unstemmed	3.8	1.9	1.4	1.1	.8	.4	50
Philippine Republic:							
Stemmed	.2	1.0	.2	.2	.2	4/	---
Unstemmed	.1	.1	4/	0	4/	0	---
Colombia	.1	.7	.1	.3	4/	4/	---
Brazil	.1	.9	.6	.8	.4	.3	75
Paraguay	.1	.2	.1	.2	.1	.2	200
Dominican Republic	.2	.7	.5	.7	.4	.4	100
Mexico	4/	.4	.7	1.0	.4	.6	150
Total 2/	12.1	7.9	4.6	5.4	3.0	2.4	80
Scrap:							
Cuba	13.4	4.1	2.6	1.7	1.5	.9	60
Philippine Republic	8.7	10.0	13.0	15.2	7.4	9.6	130
Peru	.4	.1	.1	.2	4/	.2	---
Colombia	.6	4.1	6.8	7.2	4.4	3.4	77
Dominican Republic	.6	3.7	7.3	9.7	5.2	5.3	102
Netherlands	.1	.1	.1	.1	4/	4/	---
Indonesia	.1	.7	1.5	1.9	1.1	.8	73
Brazil	4/	1.1	2.5	4.8	1.8	2.7	150
Argentina	4/	.4	.3	.6	.2	.4	200
Paraguay	4/	.3	.6	.7	.4	.5	125
Total 2/	25.0	26.6	36.9	45.3	22.9	25.8	113
Cigar wrapper (unst.):							
Cuba	.6	.3	.1	.1	4/	4/	---
Cameroon Rep.	0	4/	4/	4/	4/	4/	---
Honduras	0	4/	4/	.1	4/	4/	---
Total 2/	.6	.4	.2	.2	.1	.1	100
Total imports 5/	153.8	162.7	165.9	184.2	96.7	111.5	115

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ 1960-62 average. 4/ Less than 50,000 pounds. 5/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 19.--United States general imports of tobacco from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1958-62	Year ending June 30			January-July		1965 as a percentage of 1964
		1963	1964	1965	1964	1965	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf (unstemmed):							
Turkey	88.8	83.7	34.2	94.4	30.0	60.1	200
Greece	31.7	29.6	45.0	45.0	31.6	31.8	101
Other countries	15.2	13.8	15.9	19.0	13.3	13.2	99
Total	135.7	127.1	95.1	158.4	74.9	105.1	140
Scrap:							
Turkey	1.0	.7	.1	1.3	.1	1.3	---
Flue-cured and burley:	1/ .2	.2	.4	.6	.3	.9	300
Cigar wrapper (unstemmed):							
Cuba 2/	.5	0	0	0	0	0	---
Cameroon Republic	3/	3/	.1	.1	3/	3/	---
Honduras	3/	3/	.1	.1	3/	3/	---
Total 4/	.6	.1	.2	.4	.1	.2	200
Cigar filler (stemmed):							
Cuba 2/	6.7	0	0	0	0	0	---
Philippine Republic	.2	2.0	1.0	1.8	.7	1.4	200
Brazil	3/	1.9	.3	.2	.2	.1	50
Mexico	3/	.1	.4	.5	.3	.3	100
Dominican Republic	0	.1	.4	.8	.4	.8	200
Honduras	3/	.1	.2	.2	.1	.1	100
Total 4/	7.0	4.5	2.5	4.0	1.9	2.9	153
Cigar filler (unstemmed):							
Cuba 2/	16.5	0	0	0	0	0	---
Philippine Republic	1.5	.1	.2	1.4	.2	.4	200
Dominican Republic	3.0	6.5	12.6	14.7	11.2	2.3	21
Colombia	3.0	8.1	16.5	9.4	15.4	6.3	41
Brazil	.7	2.9	6.5	12.1	6.3	8.1	129
Paraguay	.6	1.8	.5	2.2	.7	1.6	229
Indonesia	.7	.8	3.2	7.3	1.9	2.5	132
Netherlands	.3	3/	.2	3/	.2	0	---
Peru	1.3	.4	0	1.5	0	2.1	---
Argentina	.1	.4	.4	1.3	.5	3/	---
Mexico	.1	.9	1.3	1.5	.8	1.7	212
Jamaica	.1	.2	3/	3/	0	3/	---
Other countries	3/	.1	.2	.4	.2	.3	150
Total	27.9	22.3	41.6	51.8	37.4	25.3	68
Scrap:							
Cuba 2/	6.6	0	0	0	0	0	---
Philippine Republic	8.8	9.8	10.1	25.3	6.2	18.1	292
Dominican Republic	3/	.2	.9	1.0	.7	.5	71
Colombia	3/	.1	3/	0	0	0	---
Brazil	.1	.3	.2	.6	.3	3/	---
Paraguay	.1	.2	3/	.1	.1	3/	---
Indonesia	3/	0	.1	.3	.1	3/	---
Netherlands	3/	.2	3/	0	0	3/	---
Argentina	.1	.6	.4	.3	.1	.1	100
Honduras	3/	3/	.1	3/	.1	3/	---
Other countries	.7	.5	.5	.6	.2	.3	150
Total	16.6	11.9	12.3	28.2	7.8	19.0	244
Total cigar tobacco	52.1	38.8	56.6	84.3	47.1	47.4	101
Grand total	188.9	166.7	152.2	244.6	122.4	154.7	126

1/ 1961 and 1962 average.
2/ For 1958-61 (pre-embargo) years, average exports were wrapper, 0.6 million pounds; stemmed filler, 8.1 million; unstemmed filler, 19.7 million; and scrap, 7.8 million.
3/ Less than 50,000 pounds.
4/ Includes quantities from other countries not separately listed. Details may not add to total, due to rounding.
Note: General imports include all arrivals in the United States as distinguished from "imports for consumption" which represents merchandise entering into domestic consumption channels.

Colombia, Brazil, and Indonesia. Although of smaller magnitude, significant quantities of scrap were also imported from Paraguay, Argentina, and Peru. In 1964-65 compared with the previous year, more cigar filler was imported from Mexico, Brazil, Dominican Republic, Colombia, and Paraguay. Imports for consumption of Cuban tobacco (withdrawals from stocks already in the United States) continued to decline, and in the year ended June 30, 1965, were only about an eighth of the 1957-61 average. (Imports from Cuba were embargoed in February 1962.) July 1, 1965, stocks of Cuban tobacco in the United States were 11.9 million pounds (farm-sales weight), 31 percent less than 1 year earlier and 54 percent less than 2 years earlier.

The Philippine Republic, which has replaced Cuba as the leading source of cigar tobacco imported into the United States, has a duty-free quota for filler and scrap of 3.9 million pounds annually for calendar years 1965-67. Imports from the Philippines in excess of the duty-free quota are dutiable at the same preferential rates applicable to Cuba prior to the embargo. In 1964, based on imports for consumption and the duty-free quota for that year (5.2 million pounds), around 9 million pounds of Philippine filler and scrap were imported subject to duty.

General imports of cigar tobacco in 1964-65 were 49 percent above 1 year earlier and more than double those 2 years earlier. In January-July 1965, however, they were about even with those a year ago. Comparing 1964-65 with the year before, there were larger general imports of cigar filler from Dominican Republic, Brazil, Indonesia, Philippine Republic, Paraguay, Mexico, Peru, and Argentina, but sharply reduced imports from Colombia, General imports of scrap, mainly from the Philippines, more than doubled. (See table 19.)

On July 1, 1965, stocks of Philippine tobacco in the United States amounted to about $41\frac{3}{4}$ million pounds (farm-sales weight), $2\frac{1}{2}$ times the year-earlier level and largest on record. Combined stocks of cigar leaf other than Cuban and Philippine totaled about 78 million pounds, farm-sales weight, compared with 56 million 1 year earlier and 39 million 2 years earlier. Stocks by source of importation are shown on page 61.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

Domestic Use and Exports

In 1964-65, total flue-cured disappearance (calculated by subtracting July 1, 1965, stocks from the total of July 1, 1964, stocks and 1964 production) was 1,219 million pounds--48 million pounds below a year earlier and second lowest in 5 years. The decrease was due to a decline in exports; domestic use at 779 million pounds increased about $1\frac{1}{2}$ percent from a year earlier. Domestic use in 1965-66 is likely to increase some. But the increase in 1964-65 domestic use fell short of the proportionate rise in cigarette output--5 percent--between 1963-64 and 1964-65. Cigarette consumption is expected to continue to

increase in the year ahead but at a slower rate than in the past year. Filter tip cigarettes, which require less tobacco per unit of output, continue to gain a larger share of the market.

The 1964-65 exports of flue-cured tobacco, at 440 million pounds (farm-sales weight), were 58 million pounds--12 percent--lower than the 8-year high in 1963-64. Excessive supplies of lower-priced flue-cured from Rhodesia were a significant factor affecting 1964-65 exports from the United States. With a reduction in the 1965 production of Rhodesian flue-cured and the improved quality of this year's U.S. crop, a moderate increase in U.S. exports of flue-cured is expected in 1965-66.

Measured on an unstemmed equivalent basis, 27 percent of U.S. exports of flue-cured in 1964-65 was shipped in stemmed form compared with 23½ percent in 1963-64 and only 9 percent 5 years ago. The average value per pound of unstemmed flue-cured exports in 1964-65 was 78½ cents--2 cents above a year earlier but practically the same as 2 years earlier; the average value per pound of flue-cured tobacco shipped in stemmed form was $1.07 per pound--2 cents above a year earlier and 3½ cents above 2 years earlier.

In 1964-65, the United Kingdom took about a third of the total flue-cured exported by the United States; its takings on an unstemmed equivalent basis were one-eighth lower than in 1963-64 and second smallest in many years. West Germany, the second ranking outlet, took 9 percent less than its record takings of 1963-64, though more than in any other year. Japan, the third ranking outlet, took 30 percent less than its record takings of a year earlier, but still the third largest volume for any year. The Netherlands, fourth ranking outlet took the second smallest quantity in 6 years--26 percent less than 1963-64. Other major outlets taking less U.S. flue-cured in 1964-65 than in 1963-64 were Belgium, Ireland, and Sweden--down 18, 32, and 21 percent, respectively. Australia, another major outlet, took 16 percent less than in 1963-64 and the least in many years. Other countries taking smaller quantities than a year earlier included Finland, Norway, Portugal, Austria, India, Egypt, and Uruguay.

Increases in U.S. flue-cured exports in 1964-65 occurred for several significant outlets. Denmark took a little more than 1963-64 and most in 4 years; Switzerland upped its takings one-fifth to the largest in many years; Thailand jumped its takings over 40 percent to the second largest quantity in 7 years; and Hong Kong took one-fifth more than in 1963-64 and more than in any previous year. Other countries taking more were Spain, France, Italy, South Viet Nam, Pakistan, Taiwan, and Republic of the Congo. Poland and New Zealand took about the same in 1964-65 as in 1963-64.

1965-66 Supplies

Carryover of flue-cured on July 1, 1965, totaled a record 2,555 million pounds--169 million larger than a year earlier and reflecting a buildup of 465 million pounds in 4 years.

Table 20. --Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	1,257	1,485	2,742	1,185	757	428
1951	1,453	1,557	3,010	1,279	777	502
1952	1,365	1,731	3,096	1,244	828	416
1953	1,272	1,852	3,124	1,209	778	431
1954	1,314	1,915	3,229	1,173	744	429
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	779	440
1965 2/	*(1,175)	2,555	*(3,730)			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	54.7	45.0	77.6	6.2	0
1951	52.4	50.7	142.2	9.8	0
1952	50.3	50.6	5/165.0	12.1	0
1953	52.8	47.9	151.4	11.9	0
1954	52.7	47.9	130.2	9.9	0
1955	52.7	48.3	298.9	20.2	0
1956	51.5	48.9	319.9	22.5	0
1957	55.4	50.8	107.8	11.1	26.8
1958	58.2	54.6	144.8	13.4	45.0
1959	58.3	55.5	55.3	5.1	17.7
1960	60.4	55.5	51.8	4.1	30.8
1961	64.3	55.5	70.5	5.6	51.8
1962	60.1	56.1	237.2	16.8	220.8
1963	58.0	56.6	277.2	20.2	216.3
1964	58.5	57.2	285.6	20.7	259.7
1965		57.7	6/	6/	
Total	---	---	2,515.4	---	869.0

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corporation; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ By September 21, 38 million pounds, 5 percent of deliveries, were placed under loan. *These estimates of production and supply may exceed marketed production, and thus supply, by a small percentage.

The estimated U.S. flue-cured tobacco acreage for harvest this year, at 568,300, is about 9½ percent lower than in 1964 and smallest on record. Farm allotments under the acreage-poundage program were set 5 percent below 1964. The planting season was well advanced before the newly authorized acreage-poundage program could be placed into effect; many farmers had cut, or made plans to cut, acreage in line with the previously announced 19½ percent reduction under the acreage allotment program before it was superseded by the acreage-poundage program. The September 1 estimate of the average yield per acre is 2,067 pounds--7 percent below 1964. The 1965 production of flue-cured is estimated at 1,175 million pounds--15 percent below 1964 and smallest since 1959.

Under the new acreage-poundage program, a grower can market up to 10 percent more than his poundage quota without paying a penalty. But any marketings above a grower's quota will be deducted from the farm's quota for 1966. The September estimate of production exceeds the announced national marketing quota of 1,126 million pounds by about 49 million pounds. The quantity of overmarketings by producers with harvestings above their quotas will not be known until the close of the marketing season in December. (In the past under the acreage allotment program the quantity marketed closely approximated the quantity produced.) Many farmers producing more tobacco than their quota will avail themselves of the up-to-10 percent limit for overmarketings; beyond that, a penalty rate of 44 cents per pound would apply. Though total marketings will be less than this year's production, the percentage difference is likely to be comparatively small. For this reason and at this time, the September production estimate plus the carryover is considered to represent an approximation of total supply of U.S. flue-cured for 1965-66. This figure is 3,730 million pounds--down 44 million from the 1964-65 record supply level but above any previous year. The 1965-66 total supply is about 2.9 times probable disappearance compared with the 1964-65 ratio of 3.1. Carryover on July 1, 1966, may be about 4 percent lower than the record level of July 1, 1965.

By December 1, 1965, the Secretary of Agriculture is required to announce the amount of the 1966 national marketing quota on an acreage-poundage basis, the national average yield goal, and the matching national acreage allotment. Growers of flue-cured tobacco voted on May 4, 1965, to place the acreage-poundage program in effect on their 1965, 1966, and 1967 crops by a ratio of about 3 to 1. For a description of the main features of the acreage-poundage program see the June 1965 Tobacco Situation, pages 29-32.

On September 1, Government loan stocks of flue-cured tobacco (included in carryover and total supply estimates) from the 1957-64 crops totaled 869 million pounds (farm-sales weight). About four-fifths of these loan stocks were from the 1962-64 crops and one-fifth from the 1957-61 crops. In the year ended August 31, 1965, about 107 million pounds (farm-sales weight) were sold by the Flue-cured Tobacco Cooperative Stabilization Corporation--the grower's organization which makes Government loans for price support. Sales in the preceding year amounted to about 47½ million pounds.

Prices and Price Support

The 1965 auction market prices for all flue-cured sold this season through September 21 averaged 64.9 cents per pound, 7.4 cents above the average for the similar period last season.

The overall level of price support for the 1965 crop is 57.7 cents per pound--0.5 cent above last season. As in the past 3 seasons, price support was available on untied tobacco graded as lugs, primings, and nondescript grades of lugs and primings during the first 7 days (first 5 days in 1962) of marketings in the 4 Belts that prior to 1962 had sales of only tied tobacco. For tied tobacco sold in these 4 Belts, price support is available throughout the marketing season. In 1965, price supports for untied tobacco on a grade basis have been 3 cents per pound lower than for tied tobacco. In the previous 4 seasons, this differential was 6 cents per pound, but in 1963 and 1964 the average differential between market prices of tied and untied tobacco diminished substantially.

In the Georgia-Florida Belt, where all tobacco is sold throughout the season in untied form, auctions ran from July 28 to September 1 with a clean-up sale on September 21. Gross sales (include resales) were about 2 percent less than in 1964 and 13 percent below 1963. In 1964, sales in this Belt were lowest in 5 years because growing conditions reduced the crop in Georgia-Florida. Prices for 1965 marketings averaged about 66 cents per pound--over 7 cents above 1964 and highest on record. Quality of marketings was considerably higher than in 1964. Growers placed about 2.4 million pounds under Government loan compared with 3 million in 1964.

Auctioning in the South Carolina-Border North Carolina Belt began August 5. During the first 7 sales days (through August 13) when untied tobacco was price-supported, about three-fourths of the tobacco was sold untied at 61.6 cents per pound and one-fourth was sold tied at 63.7 cents per pound. Through September 21, prices averaged 65.6 cents per pound--6.3 cents above the average for the similar period of 1964; about 6 percent of total market deliveries was placed under Government loan, compared with 14 percent in the comparable period of 1964.

Auctions in the Eastern North Carolina Belt started August 25. During the first 7 sales days (through September 3), when untied tobacco was price-supported, about 54 percent of the tobacco was sold untied at 58½ cents per pound and 46 percent was sold tied at 61½ cents per pound. Through September 21, prices averaged 63.2 cents per pound--8½ cents above the average for the similar period last season; about 6½ percent of total market deliveries was placed under loan contrasted with nearly 31 percent in the comparable sales period last season.

There were no sales on any markets on September 10 and 17, and from September 22 through September 28. Beginning on September 13, sales were held for 4½ hours a day instead of 5½ hours except in Old Belt markets on September 20-21. These measures were taken to relieve congestion in redrying facilities.

In the Middle Belt--North Carolina and Virginia--markets opened September 8. During the first 7 sales days (through September 20), when untied tobacco was price supported, about 36 percent of the tobacco was sold untied at 60.2 cents per pound and 64 percent was sold tied at 64.6 cents per pound. Through September 21 prices averaged 63.1 cents per pound--7.7 cents above the comparable figure for 1964; about 6 percent of market deliveries was placed under loan compared with 23 percent in the like period of 1964.

Old Belt (North Carolina and Virginia) markets opened on September 20. For the first 2 sales days, prices of untied tobacco averaged 61.4 cents per pound, and of tied tobacco 65.9 cents per pound; total gross sales averaged 64.8 cents per pound compared with 53.3 cents in the same period a year earlier.

For all flue-cured Belts combined, the quantity of tobacco placed under Government loan for price support through September 21 was about 38 million pounds. In the comparable period of 1964, about 122 million pounds went under Government loan, and during the entire 1964 season, loan placements totaled 286 million pounds. Placements under Government loan for the entire 1965 season will be far smaller than in each of the previous 3 seasons.

The 1966 overall price support level will be established by raising the 1959 support level in accordance with the percentage rise in the parity index. This is based on a comparison of the average index in calendar years 1963, 1964, and 1965 with the level in 1959. The parity index measures average change over time in the prices of commodities and services commonly bought by farm families. If the parity index continues near its recent level for the rest of 1965, the support level for 1966 crop flue-cured would be 6 percent above the 1959 level and nearly 2 percent above price support for the current season.

Burley, Type 31

Domestic Use and Exports

Disappearance of burley in the October 1964-September 1965 marketing year is estimated at 593 million pounds, a record high, and 4 percent more than in 1963-64. Domestic use of burley is indicated at about 537 million pounds--4½ percent above 1963-64 when it declined for the first time in 6 years. Domestic use of burley in 1965-66 is expected to exceed 1964-65.

Cigarette manufacture--principal domestic outlet for burley--rose 5½ percent in October 1964-July 1965 over the comparable period a year earlier when consumption declined following the January 1964 release of the smoking and health report. For the year ending September 30, 1965, cigarette output probably was record high. Some of the gain in burley use resulting from increased cigarette manufacture was offset by reduced use in secondary burley outlets--smoking

tobacco, and plug, twist, and fine-cut chewing tobacco. In October 1964-July 1965, production of smoking tobacco was 11 percent smaller than a year earlier, while output of plug, twist, and fine-cut chewing was down 5 percent.

Burley exports in 1964-65 may approach the previous year's record exports of 57 million pounds, farm-sales weight. During October 1964-July 1965, burley exports (on a farm-sales weight basis) were 1 percent less than a year ago. A larger proportion of the total was exported in stemmed form compared with a year earlier. Of the major markets, exports increased sharply to West Germany, Italy, Mexico, Denmark, and Hong Kong, but declined to Sweden, the Netherlands, Portugal, and Thailand. More U. S. burley than a year earlier also went to Belgium, Switzerland, Chile, Republic of the Congo, and France; substantially less went to Finland, and moderately less, to Austria. Exports to Poland and Australia declined a little, while those to Egypt were only a small fraction of the comparatively large quantity shipped there a year ago under the Title I, P. L. 480 program. However, a Title I purchase authorization was issued to Egypt in June 1965, providing for about 9½ million pounds of tobacco to be shipped by October 31, 1965. Although kinds of tobacco are not specified in the authorization, Egypt purchases principally flue-cured and burley. If a substantial quantity of burley were shipped to Egypt by September 30, 1965, total marketing year exports would probably exceed the 1963-64 record.

1965-66 Supplies

Carryover of burley on October 1, 1965, is estimated at near 1,440 million pounds, 2 percent above a year earlier and highest on record. The September estimate of the 1965 crop is 617 million pounds--slightly below 1964. Acreage for harvest is indicated to be down 9 percent, reflecting a cut of a tenth in allotments. However, the prospective average yield per acre is the second highest on record--10 percent above the 1964 yield which was affected by drought in Kentucky and some other areas.

The 1965-66 total supply of burley--carryover plus the new crop--will be 2,057 million pounds, 1 percent more than in 1964-65 and the largest on record. Prospective 1965-66 supplies are equal to about 3.4 times probable disappearance, about the same as in 1964-65. In the 1959-62 marketing years, this ratio varied between 3.0 and 3.2, but then climbed to 3.5 in 1963-64. Carryover stocks of burley on October 1, 1966, will probably show some further increase over the estimated level of this year.

Government loan stocks of burley on August 31, 1965, amounted to 319½ million pounds (farm-sales weight equivalent). These stocks compared with holdings on the same date in recent years, as follows: 259 million pounds in 1964 (after allowing for sales not then reflected in the reported total); 94 million in 1963; 33 million in 1962.

The 1966 burley marketing quota and acreage allotment (under the acreage allotment program in effect for this kind) will be announced by the Secretary of Agriculture by February 1, 1966. Marketing quotas (on an acreage basis) for the 1965-67 crops were approved by 99 percent of the growers voting in last

Table 21--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	499	1,000	1,499	518	488	30
1951	618	981	1,599	538	506	32
1952	650	1,061	1,711	548	519	29
1953	564	1,163	1,727	529	494	35
1954	668	1,198	1,866	519	486	33
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	*593	*537	*56
1965 2/	617	*1,440	*2,057			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	49.0	45.7	44.2	8.9	0
1951	51.2	49.8	97.3	15.7	0
1952	50.3	49.5	103.9	16.0	0
1953	52.5	46.6	102.1	18.1	0
1954	49.8	46.4	221.4	33.2	0
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	1.9
1958	66.1	55.4	11.2	2.4	.6
1959	60.6	57.2	13.2	2.6	.7
1960	64.3	57.2	8.4	1.7	.4
1961	66.5	57.2	10.3	1.8	1.6
1962	58.6	57.8	63.5	9.4	52.8
1963	59.2	58.3	202.3	26.8	151.3
1964	60.2	58.9	110.4	17.8	110.3
1965		59.5			
Total	---	---	1,083.9	---	319.6

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
*Preliminary estimates.

February's referendum. At the time of the announcement of the 1966 acreage allotment (under the program now in effect), the Secretary can--if he determines that acreage-poundage quotas would result in a more effective program--announce the national quota, the national acreage allotment, and the national yield goal applicable under an acreage-poundage program. A special referendum would then be held within 45 days of this announcement to determine whether or not burley growers favor marketing quotas on an acreage-poundage basis for the next 3 marketing years (1966-68). If an acreage-poundage determination is made and the growers voting fail to approve by more than a two-thirds majority, the acreage allotment program would continue in effect. This conforms with provisions of the acreage-poundage law passed in April 1965 (see June 1965 Tobacco Situation pp. 29-32). The law also specifies that the Secretary shall not make an acreage-poundage determination for a kind of tobacco other than flue-cured until public hearings have been held to ascertain and consider attitudes of producers and other interested persons on acreage-poundage quotas.

Price Support and Prices

The price support level for the 1965 burley crop is 59.5 cents a pound--0.6 cent or 1 percent above the overall level for the 1964 crop. Support levels for the 1966 crop of burley and other eligible kinds will be determined by comparing the average of the parity index for calendar 1963, 1964, and 1965 with the 1959 index and adjusting the respective 1959 support levels by the resulting percentage change. If the parity index for the rest of this year remains near the level of recent months, the overall support level for 1966 burley will be nearly 2 percent higher than the 59.5 cents in effect for the current crop. During 1962-65, the support level for burley rose by about 1 percent a year.

The 1964 burley crop sold at an average price of 60.2 cents a pound--1 cent above 1963. About 18 percent of the crop was placed under loan, the second largest proportion in 10 years.

Auction markets for sales of the 1965 crop are expected to begin in late November.

Maryland, Type 32 3/

Domestic Use and Exports

Total disappearance of Maryland tobacco in the October 1964-September 1965 marketing year is estimated at near 31 million pounds, approximately the same as the preceding year. Domestic use is estimated at about 19 million pounds, up some from 1963-64. The major outlet for Maryland is in the manufacture of cigarettes, which in the first 10 months of 1964-65 was substantially above a year ago. Certain grades of Maryland are also used as fillers in some cigars. The quantity used depends on availability and prices of desired grades.

Exports of Maryland tobacco in the marketing year just ending may approximate 11½ million pounds, farm-sales weight--1 million less than in 1963-64. In the first 10 months of 1964-65, exports were 16 percent below a year earlier. Switzerland, accounting for over three-fifths, took 2 percent less. Maryland-type cigarettes--containing predominantly Maryland tobacco--are the most important type in Switzerland, comprising 45 percent of total output in 1964. However, the proportion of Maryland-type cigarettes has declined in recent years whereas that of American-blend cigarettes has increased. During October 1964-July 1965, exports of Maryland to Belgium, West Germany, and France dropped 32, 45, and 51 percent, respectively; moderately less went to the Netherlands and Spain.

1965-66 Supplies

Carryover of Maryland tobacco on January 1, 1966, may be around 92 million pounds, 10 million above a year earlier and a new high. The September estimate of the 1965 Maryland crop is 37.4 million pounds, about 4½ million less than 1964-crop marketings. Acreage is estimated at 13 percent less than in 1964; the 1965 allotments for most farms were reduced 15 percent. The average yield per acre is indicated to be a record high--exceeding 1964 by 5 percent. This year's crop plus the estimated carryover will provide a 1965-66 supply of about 129 million pounds--4 percent more than in 1964-65 and the largest on record.

The 1966 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1, 1966. Within 30 days following the announcement, a referendum will be held in which growers of Maryland will vote on whether or not they approve marketing quotas (on an acreage basis) for the 1966, 1967, and 1968 crops. Approval by at least two-thirds of the farmers voting is necessary for marketing quotas to continue in effect. In the last referendum, held in February 1963, about 84 percent of those voting favored marketing quotas on their 1963-65 crops.

3/ For marketing quota purposes, carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year (the 12-month period, October 1 through September 30). Disappearance is calculated on the October-September basis.

Table 22.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	40.0	53.4	93.4	35.5	27.1	8.4
1951	41.6	59.3	100.9	33.3	26.7	6.6
1952	40.2	64.9	105.1	40.3	32.5	7.8
1953	40.5	65.4	105.9	36.4	28.4	8.0
1954	43.8	68.6	112.4	36.1	27.9	8.2
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	#42.0	82.0	124.0	*30.5	*19.0	*11.5
1965 3/	37.4	*92.0	*129.4			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1965 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	48.2	48.6	5.5	13.8	0
1951	44.8	No price support 6/			
1952	48.8	No price support 6/			
1953	54.5	50.4	6.7	16.5	0
1954	40.3	No price support 6/			
1955	50.8	No price support 6/			
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.6
1958	62.5	50.8	1.1	3.6	.2
1959	61.6	No price support 6/			
1960	63.8	50.8	1.6	4.6	.4
1961	62.0	50.8	3.7	9.5	1.2
1962	55.8	51.3	6.0	14.8	2.6
1963	43.2	51.8	10.4	30.6	10.2
1964	7/61.8	52.3	4.2	10.0	4.2
1965		52.8			
Total	---	---	48.4	---	20.4

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Auction market average.

*Preliminary estimates. #Auction sales plus hogshead market receipts.

Under the acreage-poundage law passed last April, an acreage-poundage program can be offered to growers of a kind of tobacco during the first or second year, but not the third year, of the 3-year period in which marketing quotas on an acreage basis are in effect. Thus under existing law, if marketing quotas on an acreage basis continue in effect, the first marketing year in which the Secretary could make an acreage-poundage determination for Maryland tobacco is during the 1966 marketing year to apply to the 1967 crop.

Price Support and Prices

The 1965 crop of Maryland tobacco, to be marketed next spring and summer, will receive Government price support at an average level of 52.8 cents a pound--0.5 cent or 1 percent above the 1964 support level. The support level for 1966 Maryland tobacco will be determined in the same manner as for flue-cured (see page 41), but with consideration given to what would have been the 1959 support level for Maryland had a marketing quota been in effect on that year's crop. If the parity index for the rest of this year stays near the level of recent months, the overall support level for 1966 Maryland tobacco will be nearly 2 percent higher than the 52.8 cents in effect for the current crop. In 1962-65, the support level for Maryland tobacco increased about 1 percent a year.

This year, auction sales for 1964 Maryland tobacco crop began April 21 and ended July 9. Also, the Baltimore hogshead market opened for competitive bidding April 22. Auction sales totaled 37.4 million pounds and averaged 61.8 cents a pound--45 percent above the preceding year's average and second highest on record. Sales volume jumped a third, and quality was much improved over that of the dry-weather 1963 crop. The Government support level for 1964 crop Maryland was 52.3 cents a pound. Deliveries for Government loan amounted to about a tenth of the crop, a substantially lower proportion than in the previous season when about three-tenths of the crop went under loan.

In addition to the volume sold at this year's auction, about 4.6 million pounds were received at the Baltimore hogshead market by September 21.

Fire-Cured, Types 21-23

Domestic Use and Exports

Disappearance of the fire-cured types in the marketing year that began October 1964 is estimated at about 53 million pounds--a little above 1963-64. Domestic use is estimated at about 25 million pounds, about a tenth above 1 year earlier but slightly less than 2 years earlier. Both Virginia and the Kentucky-Tennessee types are estimated to have increased over 1963-64. Domestic use of Virginia fire-cured in 1963-64 had dropped to a record low and the 1964-65 estimated use is more in line with other recent years.

The main outlet for the fire-cured types is in snuff manufacture, which in October 1964-July 1965, was 5 percent smaller than a year earlier. However, use of fire-cured in products other than snuff probably gained. A significant

Table 23.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	12.8	23.1	35.9	11.3	5.9	5.4
1951	13.4	24.6	38.0	11.0	6.3	4.7
1952	12.2	27.0	39.2	10.5	5.5	5.0
1953	9.2	28.7	37.9	11.7	6.9	4.8
1954	10.6	26.2	36.8	10.2	6.0	4.2
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	*9.3	*4.0	*5.3
1965 2/	9.2	*16.6	*25.8			

Year	Average price per pound	Price support level 3/	Placed under Government		Remaining in Government loan stocks on August 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	36.3	34.3	2.4	18.8	0
1951	39.2	37.4	2.6	19.4	0
1952	35.5	37.1	2.4	19.7	0
1953	35.6	35.0	.7	7.6	0
1954	34.4	34.8	2.1	19.8	0
1955	31.3	34.6	1.8	17.1	0
1956	39.5	36.1	1.7	15.9	0
1957	38.7	38.8	1.0	11.6	.5
1958	36.9	38.8	.8	23.4	.9
1959	37.6	38.8	.8	8.1	.3
1960	39.4	38.8	.3	3.3	.1
1961	38.8	38.8	.9	9.8	.4
1962	38.8	39.2	1.2	12.6	.4
1963	35.5	39.6	.4	6.5	.4
1964	43.1	40.0	.3	3.3	.2
1965		40.4			
Total	---	---	20.8	---	3.2

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

*Preliminary estimates.

Table 24.--Fire-cured tobacco, types 22-23 1/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	45.4	141.8	187.2	64.6	30.7	33.9
1951	46.1	122.6	168.7	48.8	25.8	23.0
1952	46.0	119.9	165.9	48.3	24.2	24.1
1953	39.7	117.6	157.3	49.5	26.0	23.5
1954	51.6	107.8	159.4	48.9	23.9	25.0
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	*44.0	*21.0	*23.0
1965 3/	41.1	*103.5	*144.6			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks August 31, 1965 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	29.7	34.3	9.8	21.6	0
1951	40.3	37.4	4.9	10.6	0
1952	38.1	37.1	8.5	18.4	0
1953	33.3	35.0	7.5	18.9	0
1954	38.5	34.8	4.8	9.3	0
1955	38.4	34.6	7.9	14.4	0
1956	36.1	36.1	18.6	31.1	neg.
1957	36.4	38.8	13.9	33.1	1.9
1958	38.1	38.8	4.4	12.0	1.3
1959	38.3	38.8	5.3	12.3	2.7
1960	43.3	38.8	3.2	8.7	2.7
1961	40.2	38.8	5.1	11.8	4.2
1962	38.7	39.2	8.6	19.3	7.2
1963	36.9	39.6	13.0	26.2	8.7
1964	41.0	40.0	7.2	15.7	6.8
1965		40.4			
Total	---	---	122.7	---	35.5

1/ Type 24 included until early 1950's when it became practically nonexistent.
2/ Year beginning October 1.
3/ Subject to revision.
4/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

*Preliminary estimates.

quantity of fire-cured tobacco is used in the manufacture of Italian (Toscani) cigars. Such use is estimated to have increased, and may now be on the order of 4 to 5 million pounds a year.

Exports of fire-cured in 1964-65 are estimated at around 28 million pounds (farm-sales weight)--about the same as in the preceding year. Kentucky-Tennessee fire-cured may have increased moderately for the second year in a row, but exports of the Virginia type are estimated to have declined around a fifth below the 15-year high of 1963-64. In the first 10 months of the 1964-65 marketing year, exports of Kentucky-Tennessee fire-cured were 9 percent above a year earlier. Shipments to the Netherlands, leading outlet, rose 30 percent and around 2 million pounds (farm-sales weight) went to the Republic of the Congo, in contrast to minor quantities a year ago. Increased exports were also made to Belgium and South Vietnam, but sharply less than a year earlier were shipped to France (second ranking outlet), Switzerland, and Sweden.

In the first 10 months of 1964-65, exports of Virginia fire-cured were 19 percent below a year earlier. Exports to the United Kingdom more than doubled, but Norway took about half as much as a year earlier. Sharp cuts in takings were also made by Sweden and West Germany.

1965-66 Supplies

Carryover of Virginia fire-cured, type 21, on October 1, 1965, is estimated at 16½ million pounds--not much different than the record-low holdings a year earlier. The September estimate of this year's crop is 9.2 million pounds, slightly above 1964. Acreage for harvest is estimated to be up slightly from 1964, and average yield per acre is indicated somewhat larger than 1964. The 1965 acreage allotments for most farms are the same as in 1964. The total 1965-66 supply of Virginia fire-cured--production plus indicated carryover--is estimated at nearly 26 million pounds, about the same as the long-term low of 1964-65.

The October 1, 1965, carryover of Kentucky-Tennessee fire-cured is estimated at 103½ million pounds--around 2 million higher than a year earlier and the largest October 1 stocks in 7 years. The September estimate of this year's crop is about 41 million pounds, 11 percent less than 1964 and the smallest in 5 years. Acreage for harvest is estimated to be down 10 percent reflecting the cut of a tenth in allotments for most farms, and indicated average yield per acre is close to the previous year's record high. The total 1965-66 supply of Kentucky-Tennessee fire-cured--production plus carryover--is estimated at near 145 million pounds, about 2 percent less than the previous year but otherwise largest since 1957-58.

Combined supplies of the fire-cured types for 1965-66 are about 3 million pounds (2 percent) smaller than for 1964-65. Carryover on October 1, 1966, may show relatively little change from the current level.

The 1966 marketing quotas for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1, 1966. Marketing quotas for the 1964, 1965, and 1966 crops (on an acreage basis) were approved by growers of the 3 types in a referendum held in February 1964. Under provisions of the acreage-poundage law enacted in April 1965 (see June 1965 Tobacco Situation, pp. 29-32), the Secretary of Agriculture can make an acreage-poundage program determination for the 1966 crop of fire-cured. If such a determination is not made, the earliest year it can be made again--under present law--is the 1967 marketing year to apply to the 1968 crop.

Price Supports and Prices

The overall support level for the 1965 crop of fire-cured is 40.4 cents a pound. The support level of 1966 fire-cured will be determined in the same manner as for flue-cured. (See page 41.) Should the parity index for the rest of this year remain near the level of recent months, the overall support level for the 1966 fire-cured crop will be nearly 2 percent higher than the 40.4 cents a pound in effect for the current crop. In 1962-65, the support level for fire-cured tobacco rose 1 percent a year.

The 1964 season average price for the combined fire-cured types was 41.4 cents a pound--12 percent above the relatively low average of the preceding year. Virginia fire-cured averaged a record 43.1 cents, more than a fifth above the average of the previous year, when the crop was affected by drought and frost. Kentucky-Tennessee type 22 averaged 42.0 cents--over a tenth above 1963 and second highest on record. For Kentucky-Tennessee type 23, the 1964 season average, 38.3 cents, was 9 percent above the previous year and also the second highest on record.

Growers placed about 7½ million pounds of fire-cured (about 14 percent of the combined crop) under loan. Receipts of Virginia fire-cured were the lowest on record; those of the Kentucky-Tennessee types were sharply below the relatively large placements of the preceding year.

Dark Air-Cured and Sun-Cured, Types 35-37

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured for the October 1964-September 1965 marketing year is estimated at about 24½ million pounds-about 1 million more than in 1963-64. Domestic use is estimated at a little more than 20 million pounds--an increase of 2 percent over the previous year. The main outlet for dark air-cured in this country is in the manufacture of plug, twist, and fine-cut chewing tobacco. Output of these products in October 1964-July 1965 was about 5 percent smaller than a year earlier, but use of dark air-cured in nonchewing products may have increased. Indications are that domestic disappearance of types 35-36 gained 3 percent but that of Virginia sun-cured, type 37, may have declined some.

Table 25.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct.1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	25.0	76.8	101.8	32.9	22.6	10.3
1951	27.7	68.9	96.6	26.4	18.5	7.9
1952	30.1	70.2	100.3	25.2	19.2	6.0
1953	23.6	75.2	98.8	26.7	20.1	6.6
1954	30.4	72.1	102.5	25.9	16.3	9.6
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964	22.7	61.2	83.9	*22.7	*18.7	*4.0
1965 2/	20.5	*61.2	*81.7			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1965 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1950	23.2	30.5	4.1	16.3	0
1951	34.3	33.2	7.3	26.4	0
1952	31.6	33.0	5/9.9	32.9	0
1953	25.2	31.1	7.5	31.8	0
1954	34.3	30.9	7.2	23.7	0
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	0
1957	36.1	34.5	3.0	15.2	.7
1958	38.4	34.5	.5	2.7	.2
1959	34.5	34.5	3.7	19.2	3.0
1960	37.4	34.5	2.2	12.2	1.5
1961	37.8	34.5	1.9	9.2	1.7
1962	36.2	34.8	4.1	18.2	3.8
1963	33.3	35.2	8.3	34.3	8.0
1964	37.0	35.5	3.7	16.3	3.7
1965		35.9			
Total	---	---	76.3	---	22.6

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953.

*Preliminary estimates.

Table 26.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	3.6	4.0	7.6	3.5	3.0	0.5
1951	4.0	4.1	8.1	3.8	3.1	.7
1952	3.7	4.3	8.0	4.0	3.4	.6
1953	2.9	4.0	6.9	3.2	2.7	.5
1954	3.7	3.7	7.4	3.2	2.7	.5
1955	3.3	4.2	7.5	2.9	2.1	.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	*1.8	*1.5	*.3
1965 2/	1.7	*4.2	*5.9			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1965
			Quantity	Percentage of crop	
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.
1950	33.9	30.5	34	0.9	0
1951	34.6	33.2	59	1.5	0
1952	31.6	33.0	84	2.3	0
1953	31.8	31.1	24	.8	0
1954	32.2	30.9	123	3.3	0
1955	25.3	30.8	72	2.2	0
1956	35.7	32.1	103	3.2	0
1957	34.0	34.5	11	.4	0
1958	36.8	34.5	29	1.5	0
1959	34.4	34.5	24	1.1	0
1960	37.9	34.5	4	.2	0
1961	39.8	34.5	7	.3	0
1962	37.4	34.8	59	2.6	0
1963	31.4	35.2	92	8.1	0
1964	41.2	35.5	16	.9	0
1965		35.9			
Total	---	---	741	---	0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

*Preliminary estimates.

Exports of dark air-cured and sun-cured in 1964-65 (including allowance for Black Fat) are estimated at about 4¼ million pounds (farm-sales weight)--around a fifth larger than in 1963-64. In the first 10 months of 1964-65, exports of Green River leaf were 61 percent above a year earlier, due mainly to significant quantities shipped to the Republic of the Congo and South Vietnam, together with a substantial increase in exports to the United Kingdom. But exports to Australia and Belgium declined sharply. Exports of One Sucker leaf were 68 percent ahead of those in October 1963-July 1964. Considerable quantities went to the Republic of the Congo and South Vietnam, but exports to Belgium dropped sharply.

In recent years, over half of all dark air-cured exports have been made in the form of Black Fat, a semiprocessed product intended especially for sale abroad. In the 5 years before the marketing year 1961, these exports ranged between 4½ and 5 million pounds annually, but declined to about 3½ million by 1963-64. In the first 10 months of 1964-65, however, exports of Black Fat were 5 percent larger than a year earlier, mostly attributable to a jump of nearly a third in shipments to Nigeria, leading outlet. Reduced exports went to Ghana, West Africa, Cameroon, Spanish Africa, Bahamas, and Netherlands Antilles, but substantially more than a year ago went to Togo Republic.

1965-66 Supplies

October 1, 1965, stocks of dark air-cured and sun-cured are estimated at around 65 million pounds--about the same as last October. Not much change is expected in carryover of either types 35-36 or type 37. The September estimate of this year's crop combined is about 22 million pounds--around 2 million less than 1964. Acreage for harvest of dark air-cured types 35-36 is estimated at 10 percent less than in 1964 (allotments for most farms were reduced a tenth), but the average yield per acre is indicated to be up a little to a new high. Estimated 1965 acreage of type 37 is down some from the previous year; allotments for most farms are the same as 1964, due to relatively lower supplies of this kind. Indicated average yield per acre is slightly below 1964 but still third highest in the last 10 years.

Total 1965-66 supplies of dark air-cured and sun-cured--October 1 stocks plus this year's crop--are estimated at 87½ million pounds, 3 percent less than for 1964-65. Most of the reduction will probably be in supplies of types 35-36; those of type 37 will likely be near the 1964-65 level. October 1, 1966, carryover of the combined types may show a small decline from the current level.

By February 1, 1966, the Secretary of Agriculture is required to announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Growers of dark air-cured, types 35-36, had approved marketing quotas (on an acreage basis) for their 1964-66 crops in a February 1964 referendum. Growers of Virginia sun-cured, type 37, approved marketing quotas for their 1965-67 crops in last February's referendum. Under provisions of the acreage-poundage law passed in April 1965 (see June 1965 Tobacco Situation), the Secretary can make an acreage-poundage determination for the 1966 crops of types 35-36 and type 37. If such a determination is not made, under present

law it can be made for Virginia sun-cured, type 37, in the 1966 marketing year to apply to the 1967 crop; for dark air-cured, types 35-36, it cannot be made again until the 1967 marketing year to apply to the 1968 crop.

Price Supports and Prices

The support level in effect for 1965 dark air-cured and sun-cured is 35.9 cents a pound. The support level for 1966 dark air-cured and Virginia sun-cured will be determined in the same manner as for flue-cured. (See page 41.) Should the parity index for the remaining months of this year stay near the level of recent months, the overall support level for 1966 dark air-cured and sun-cured will be about 2 percent higher than the 35.9 cents in effect for the current crop. In 1962-65, the support level for dark air- and sun-cured increased about 1 percent a year.

Last season, the combined dark air- and sun-cured crop brought an average of 37.3 cents a pound--about an eighth above the 8-year low of 1963. One Sucker averaged 37.8 cents, up 15 percent from the previous year. The 1964 crop of Green River averaged 35.5 cents, 4 percent above the year before. The price average for 1964 Virginia sun-cured was 41.2 cents, nearly a third above the relatively low price of the 1963 season and highest on record.

During the 1964 season, growers placed 1.5 million pounds of One Sucker and 2.1 million pounds of Green River under Government loan. Placements of One Sucker were approximately a fourth of the relatively large placements in the previous year, and were equal to about 10 percent of the crop. The quantity of Green River placed under loan was down moderately from the 1963 season, and was equal to 28 percent of the crop. Only 16,000 pounds of Virginia sun-cured, less than 1 percent of the crop, went under loan.

Cigar Tobacco, Types 41-62

Domestic Use and Exports

Filler: The 1964-65 disappearance of Pennsylvania filler is estimated at about 53 million pounds--over 8 million larger than the unusually low 1963-64 figure and about 1 million above 1962-63. The 1964-65 disappearance of Ohio filler is estimated at about 8.4 milllion pounds--a little lower than 1963-64 but second largest in 10 years. Disappearance of Puerto Rican filler in 1964-65 may have totaled about 28 million pounds--approximately 2 million less than in 1963-64 but near the 1962-63 figure.

The major part of U. S. cigar filler tobacco is used domestically as filler in U. S. cigar manufacture but a sizable quantity of the Pennsylvania type is used in the manufacture of scrap chewing tobacco. The Pennsylvania type is one of the leading components of cigar binder sheet and small quantities of the Ohio and Puerto Rican types are also used for this purpose.

Exports of U. S. cigar types generally account for less than 1 percent of total disappearance; they were largest in 5 years during 1963-64, amounting to about 700,000 pounds (farm-sales weight). In the first 10 months of the

1964-65 marketing year, exports of filler were about one-fifth below a year earlier. The leading destinations were Canada, which sharply increased takings, and South Vietnam and France, both of which took much less than a year earlier.

Use of imported cigar filler: During October 1964-June 1965, the use of Philippine tobacco is estimated at about 13.9 million pounds (farm-sales weight)--4 percent more than in the comparable period of 1963-64. During October 1964-July 1965, Dominican tobacco entering consumption channels totaled nearly 13 million pounds (farm-sales weight)--about 15 percent above the year-earlier figure; consumption of Colombian tobacco was about 9 million pounds--down 8 percent from a year earlier; consumption of Brazilian tobacco, at 7 million pounds, was 50 percent above a year earlier. Among the smaller-volume foreign tobaccos there were big relative increases in the use of Mexican, Argentine, and Honduran tobaccos, moderately greater use of Paraguayan tobacco, but a little less use of Indonesian and Jamaican tobaccos compared with a year earlier. During October 1964-June 1965 use of Cuban tobacco from steadily declining stocks in the United States dropped to about 3.8 million pounds (farm-sales weight), compared with 6.4 million a year earlier and 11.6 million 2 years earlier. Prior to the U. S. embargo on imports from Cuba (imposed February 3, 1962) that country was the leading source of cigar tobacco imports, and consumption of Cuban tobacco in this country totaled about 35 million pounds (farm-sales weight) annually.

Binder: The 1964-65 disappearance of Connecticut Valley binder tobacco is estimated at 8.7 million pounds--up a little from 1963-64 but probably second smallest on record. The disappearance of Havana Seed is indicated to be up some from a year earlier but disappearance of Broadleaf may be slightly lower. Domestic use of the combined types is estimated at $6\frac{1}{2}$ million pounds--7 percent less than in 1963-64. Broadleaf is a leading constituent of cigar binder sheet and a lesser amount of Havana Seed is also used for this purpose. The 1964-65 exports of Connecticut Valley binder are estimated at 2.2 million pounds (farm-sales weight)--over a third above 1963-64 and second largest in 8 years. The leading outlets were Spain, West Germany, and Canary Islands.

The 1964-65 disappearance of Wisconsin tobacco is estimated to be about $18\frac{1}{2}$ million pounds--over $3\frac{1}{2}$ million less than the 6-year high of 1963-64. Disappearances of the Southern and Northern types were both down. The major outlet for Wisconsin tobacco is scrap chewing tobacco and the Northern Wisconsin type is an important constituent of cigar binder sheet. During October 1964-July 1965, manufacture of scrap chewing declined 2 percent below the comparable period of 1963-64. Exports of Wisconsin tobacco in 1964-65 are estimated at about 600,000 pounds (farm-sales weight)--in contrast with only a negligible quantity in 1963-64. East Germany was by far the leading export destination.

Shade-grown wrapper: The July 1964-June 1965 disappearance of shade-grown cigar wrapper at 21.9 million pounds (farm-sales weight) slightly topped the previous high of 1963-64. Domestic use of the Connecticut Valley wrapper was close to that of the preceding year, but domestic use of Georgia-Florida wrapper jumped sharply to a record high. In contrast, exports of wrapper from both areas dropped sharply. About a fourth less Connecticut Valley

Table 27.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
	Pennsylvania Seedleaf (type 41)						
1950	56.0	115.8	171.8	45.6	45.0	0.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	*53.0	*52.5	*.5	27.0
1965 3/	47.2	*131.0	*178.2				
	Ohio, Miami Valley (types 42-44)						
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	* 8.4	*8.4		26.7
1965 3/	6.2	*16.6	*22.8				
	Puerto Rico (type 46) 4						
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	5/28.1	42.4	5/70.5	5/26.7	5/26.2	5/.5	5/31.6
1960	5/27.5	43.8	5/71.3	5/28.0	5/27.9	.1	5/33.7
1961	5/30.7	43.3	5/74.0	5/32.4	5/32.3	5/.1	5/36.8
1962	35.6	41.6	77.2	28.0	28.0	---	5/39.7
1963	32.0	49.2	81.2	29.8	29.6	.2	
1964	38.0	51.4	*89.4	* 28.0			
1965 3/	4/23.0	*61.4					

1/ Year beginning October 1.
2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year.
3/ Subject to revision.
4/ Quota set by Commonwealth Government of Puerto Rico.
5/ Revised.
*Preliminary estimates.

Table 28.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cts.
Connecticut Valley Broadleaf (type 51)							
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.9	14.6	18.5	*4.5			51.0
1965 2/	3.6	*14.0	*17.6				
Connecticut Valley Havana Seed (type 52)							
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.2	10.1	12.3	4.0	2.7	1.3	41.6
1964	1.9	8.3	10.2	*4.2			43.6
1965 2/	1.8	* 6.0	* 7.8				
Total Connecticut Valley (types 51-52)							
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	5.9	25.6	31.5	8.6	7.0	1.6	47.5
1964	5.8	22.9	28.7	*8.7	*6.5	*2.2	48.6
1965 2/	5.4	*20.0	*25.4				

1/ Year beginning October 1. 2/ Subject to revision. * Preliminary estimates.

Table 29.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cts.
			Southern Wisconsin (type 54)				
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	3/	30.0
1964	8.7	22.9	31.6	*8.1			32.2
1965 2/	9.3	*23.5	*32.8				
			Northern Wisconsin (type 55)				
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	3/	31.6
1964	11.2	24.8	36.0	*10.5			35.8
1965 2/	12.1	*25.5	*37.6				
			Total Wisconsin types (54-55)				
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	93.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	3/	30.9
1964	19.9	47.7	67.6	*18.6	*18.0	*.6	34.2
1965 2/	21.4	*49.0	*70.4				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Negligible. * Preliminary estimates.

wrapper was shipped than a year earlier with much less going to West Germany, usually the first ranking outlet, and also considerably less going to Canary Islands, East Germany, Spain, the Netherlands, and Belgium. The leading export outlet for Connecticut Valley wrapper in 1964-65 was Canada, which increased takings nearly a fourth from 1963-64. The United Kingdom took a little more and there were also increases to Switzerland, Austria, Denmark, and Venezuela. Exports of Georgia-Florida wrapper to West Germany in 1964-65 dropped 60 percent below 1963-64, and to East Germany, dropped more than 40 percent. Other countries taking less Georgia-Florida wrapper than a year earlier, were Sweden, the Netherlands, Belgium, Switzerland, and Austria. Canada took almost as much as a year earlier and there were increases to Canary Islands and Denmark.

1965-66 Supplies

Filler: Pennsylvania filler (type 41) acreage is estimated at about the same as in 1964--an 11-year low. As of September 1, the crop was indicated at 47¼ million pounds--3 percent above the 1964 crop but second smallest in 8 years. The 1965 crop plus the carryover of about 131 million pounds will provide a total supply of 178 million pounds for 1965-66--about 3 percent below the long-time high in 1964-65.

Ohio filler (types 42-44) acreage is estimated to be 5 percent above 1964 and about equal to 1963. As of September 1, the crop was expected to be near 6¼ million pounds--7 percent above the 6-year low of 1964. Carryover, estimated at 16.6 million pounds, is down more than one-eighth to a new low. The 1965-66 total supply, at probably less than 23 million pounds, will be one of the smallest on record.

The Puerto Rico filler (type 46) crop is planted late in the year and harvested in the early months of the following year. The Puerto Rican Government has announced a quota of 23 million pounds--about 12 million below last year's quota and 15 million below the crop harvested under that quota. The carryover of Puerto Rican filler on October 1 is estimated at about 61½ million pounds--around 19 percent above a year ago and 25 percent above 2 years ago.

Imported cigar tobacco: The July 1, 1965, stocks of foreign-grown cigar tobacco owned by U.S. manufacturers and dealers, compared with those of 1 and 2 years earlier, are shown below:

Country of origin	Farm-sales weight, as of July 1		
	1963	1964	1965
	Mil. lb.	Mil. lb.	Mil. lb.
Philippines	19.1	16.7	41.7
Dominican Republic	11.1	15.3	20.2
Colombia	12.4	20.3	19.7
Brazil	6.1	9.6	17.2
Cuba	25.7	17.3	11.9
Indonesia	2.4	3.4	8.4
Paraguay	3.7	2.8	4.1
Other	3.3	4.9	8.7
Total*	83.9	90.5	132.0

*Based on unrounded data.

A tremendous buildup in stocks of Philippine tobacco in the most recent fiscal year is indicated in the foregoing comparisons. There were also significant further increases in stocks of Dominican, Brazilian, and Indonesian tobaccos but a little decline in stocks of Colombian tobacco. Stocks of Cuban tobacco dropped 54 percent in the 2 year period ended July 1, 1965.

During January-July 1965, general imports (total arrivals) of tobacco from the Philippine Republic were nearly triple those in the same period a year earlier, but arrivals from the Dominican Republic and Colombia dropped sharply. Comparing the same periods, cigar tobacco arrivals from Brazil, Indonesia, Mexico, and Paraguay were larger but less came from Argentina.

Binder: Cigar binder tobacco acreage in the Connecticut Valley is down a little from a year earlier. As of September 1, production of Broadleaf and Havana Seed were estimated at 3.6 and $1\frac{3}{4}$ million pounds, respectively--both down some from last year's harvestings. Carryovers of both types are also estimated to be lower than a year ago. Total supply of both types combined for 1965-66 is estimated at about 25.4 million pounds--over a tenth smaller than for 1964-65 and a record low.

Table 30.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
	Connecticut Valley Shade-grown (type 61)						
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	15.1	27.1	11.4	8.9	2.5	190.0
1961	10.3	15.7	26.0	12.2	8.9	3.3	235.0
1962	11.9	13.8	25.7	12.0	9.2	2.8	250.0
1963	12.0	13.7	25.7	14.2	10.1	4.1	260.0
1964	13.4	11.5	24.9	13.1	10.0	3.1	260.0
1965 2/	14.5	11.8	26.3				
	Georgia-Florida Shade-grown (type 62)						
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.6	16.9	6.5	5.5	1.0	200.0
1961	8.8	10.4	19.2	9.2	6.6	2.6	190.0
1962	7.4	10.0	17.4	8.5	6.4	2.1	205.0
1963	6.7	8.9	15.6	7.6	5.3	2.3	205.0
1964	7.6	8.0	15.6	8.8	7.6	1.2	235.0
1965 2/	8.2	6.8	15.0				
	Total Shade-grown (types 61-62)						
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	22.7	44.0	17.9	14.4	3.5	194.0
1961	19.1	26.1	45.2	21.4	15.5	5.9	214.0
1962	19.3	23.8	43.1	20.5	15.6	4.9	233.0
1963	18.7	22.6	41.3	21.8	15.4	6.4	240.0
1964	21.0	19.5	40.5	21.9	17.6	4.3	251.0
1965 2/	22.7	18.6	41.3				

1/ Year beginning July 1.
2/ Subject to revision.

Tobacco acreages in Southern and Northern Wisconsin are larger than in 1964. The Southern Wisconsin and Northern Wisconsin crops, as of September 1, were estimated at 9.3 and 12.1 million pounds, respectively--7 and 8 percent above 1964 harvestings. The Northern Wisconsin crop may be the largest since 1951. Carryovers of both types are estimated to be a little larger than a year ago. Total supply of both types combined for 1965-66 is estimated at about 70.4 million pounds--4 percent above 1964-65 and third largest in 8 years.

Wrapper: Acreage of Connecticut Valley wrapper is estimated at more than a tenth higher than 1964 and the largest in 16 years. Acreage of Georgia-Florida wrapper is estimated at about one-sixth larger than 1964 and largest on record. As of September 1, production in the Connecticut Valley was estimated at 14½ million pounds--8 percent above last year's crop and biggest on record. Carryover is a little above the 7-year low of a year earlier and total supply for 1965-66, at 26.3 million pounds, is about 6 percent above 1964-65 and second largest on record. The production of Georgia-Florida wrapper as of September 1 was estimated at 8.2 million pounds--8 percent above last year's crop and third largest on record. Carryover dropped sharply to a 9-year low and total supply for 1965-66 at 15 million pounds is 4 percent below 1964-65 and smallest in 6 years.

1966 Marketing Quotas and Acreage Allotments

By February 1, 1966, the 1966 marketing quotas under the acreage allotment program will be announced for (1) Connecticut Valley binder types 51-52, and (2) Ohio filler types 42-44 and binder types 53-55 (principally Wisconsin). Referendums will then be held for growers to vote whether or not they approve marketing quotas on an acreage basis for their 1966, 1967, and 1968 crops. At least two-thirds of the growers voting must be in favor to continue marketing quotas in effect. In the last referendum (February 26, 1963), growers approved marketing quotas on their 1963, 1964, and 1965 crops by 96 percent in the Connecticut Valley types 51-52, and by nearly 90 percent in the Ohio types 42-44, mainly Wisconsin types, 53-55. Government price support is mandatory when marketing quotas are in effect, but if growers disapprove marketing quotas, Government price support is not available.

Under the acreage-poundage law passed last April, an acreage-poundage program can be offered to growers of a kind of tobacco during the first or second year, but not the third year, of the 3-year period in which marketing quotas on an acreage basis are in effect. Thus under existing law, if marketing quotas on an acreage basis continue in effect, the first marketing year in which the Secretary could make an acreage-poundage determination for the above kinds of cigar tobacco is the 1966 marketing year to apply to the 1967 crop.

A marketing quota has never been in effect on Pennsylvania filler, type 41. In the referendum held February 18, 1965, about 88 percent of the growers voted against marketing quotas on their 1965, 1966, and 1967 crops.

For Puerto Rican filler (type 46), the Commonwealth Government of Puerto Rico has determined quotas for many years.

Table 31.--Cigar tobacco price support operations, quantities placed under loan, 1952-64, and remaining under loan August 31, 1965

Crop	Quantities placed under loan						
	Puerto Rican, type 46	Chio, types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1952	1.4	No Price Support 1/					1.4
1953	1.4	2.7	3/	1.8	2.4	1.9	2/10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	3/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	2/ 7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	4/	.1	.1	1.0	3/	.8	2.0
Total	20.6	6.0	17.5	20.9	11.1	23.2	2/99.4
	Remaining under loan as of August 31, 1965						
1957	0	0	0	0.1	0	0	0.1
1958	0	0	0	0	0	0	0
1959	0	0	0	0	0	0	0
1960	0	0	0	.2	0	0	.2
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.5	.2	0	.7
1963	0	0	.1	.4	0	0	.5
1964	4/	.1	.1	.7	0	.8	1.7
Total	0	.1	.2	2.5	.2	.8	3.8

1/ Price support not in effect because marketing quotas were disapproved by growers. 2/ Includes negligible amounts from the 1953 and 1962 crops of New York and Pennsylvania Havana Seed (type 53). 3/ Negligible. 4/ Crop not completely sold.

Table 32.--Cigar tobacco types: Government price support levels 1962-65 and season average prices, 1962-64

Types	1962		1963		1964		1965
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Puerto Rican filler, type 46	30.0	39.7	30.3	40.8	30.6	n.a.	30.9
Conn. Valley Broadleaf, type 51	( ) ( ) (40.0)	53.5	( ) ( ) (40.4)	51.0	( ) ( ) (40.8)	51.0	( ) ( ) (41.2)
Conn. Valley Havana Seed, type 52	( ) ( )	42.5	( ) ( )	41.6	( ) ( )	43.6	( ) ( )
Ohio filler, types 42-44	( ) ( ) ( )	28.2	( ) ( ) ( )	27.1	( ) ( ) ( )	26.7	( ) ( ) ( )
So. Wis., type 54	(28.9) ( )	29.3	(29.2) ( )	30.0	(29.5) ( )	32.2	(29.7) ( )
No. Wis., type 55	( )	29.1	( )	31.6	( )	35.8	( )

1/ Support levels are adjusted to reflect the relative change between the 1959 parity index and the average of the parity index for the 3 most recent calendar years.

n.a.--not available.

The cigar wrapper grown in the Connecticut Valley (type 61) and Georgia-Florida (type 62) are not subject to the law providing for marketing quotas and price supports.

Prices and Price Supports

Prices for the 1964 crops and overall levels of 1965 price supports for cigar tobaccos are shown in table 32. If the parity index (measuring changes in prices paid by farmers, including interest, taxes and farm wage rates) continues near its present level for the rest of the year, the 1966 overall support levels for eligible tobaccos will be about 2 percent above 1965.

The Tobacco Situation is published March, June, September and December.

The next issue is scheduled for release December 30, 1965.

Table 33.--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Fire-cured: Va. 21	Fire-cured: Ky-Tenn 22-23	Dark air-cured 35-36	Va. sun-cured 37	Cigar: Filler 41	Cigar: Filler 42-44	Cigar: Filler 46	Cigar: Binder 51-52	Cigar: Binder 54-55	Cigar: Wrapper 61-62	Total 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:														
1947-49	993.5	433.3	48.0	12.0	56.9	29.2	3.2	36.1	6.8	33.5	18.2	22.5	14.8	1,709.6
1950	958.4	408.3	50.0	9.8	43.1	25.5	3.2	37.3	7.8	37.0	18.9	22.1	13.7	1,636.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	3.5	34.9	4.9	36.0	15.3	15.8	13.6	1,815.9
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	3.4	23.7	5.7	36.7	15.1	15.1	13.1	1,808.5
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	3.7	25.8	4.7	41.7	14.6	14.3	12.3	1,674.6
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	4.1	29.2	4.6	38.0	14.4	15.0	13.0	1,705.5
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5
1956	875.3	309.8	43.7	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8
1957	662.7	306.6	37.0	6.9	24.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1
1959	693.3	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	13.9	14.0	1,179.0
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.1
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6
1965 2/	568.3	277.6	34.0	7.4	22.4	11.1	1.6	27.0	3.9 3/	(21.0)	2.7	11.6	15.6	1,021.4
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:														
1947-49	1,186	1,267	790	1,088	1,128	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	689	1,670	1,446	1,130	1,256
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	781	1,676	1,473	1,098	1,299
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	935	1,620	1,447	1,124	1,266
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	818	1,833	1,400	1,203	1,250
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	895	1,754	1,530	1,264	1,336
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,436	1,325	1,548
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,802	1,431	1,460	1,685
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,881	1,640	1,429	1,741
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,026	1,621	1,464	1,876
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,075	1,680	1,449	1,970
1964	2,211	2,022	1,050	1,245	1,854	1,828	1,060	1,700	1,575	1,167	2,041	1,821	1,526	2,043
1965 2/	2,067	2,224	1,100	1,250	1,835	1,844	1,050	1,750	1,600	n.a.	1,989	1,842	1,453	2,019

1/ Total includes types 56, 24 and 53 in various years prior to 1953. 2/ Preliminary. 3/ Approximation based on reduction in quota. n.a.--not available.

Table 34.--Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1963 and 1964

State	1963			1964 1/		
	Tobacco	Tobacco as:		Tobacco	Tobacco as:	
		Percentage of crops	Percentage of all farm commodities		Percentage of crops	Percentage of all farm commodities
	Million dollars	Percent	Percent	Million dollars	Percent	Percent
N. C.	547	65.5	46.1	564	65.1	45.6
Ky.	259	79.0	40.2	349	83.1	46.9
S. C.	97	34.4	24.6	94	32.6	23.4
Ga.	86	20.6	9.9	77	19.0	8.9
Va.	80	38.1	16.6	103	41.1	20.6
Tenn.	73	26.5	13.2	100	31.8	16.9
Fla.	25	3.7	2.8	26	3.5	2.7
Conn.	24	43.0	16.4	26	42.9	17.2
Md.	22	22.4	7.5	16	17.0	5.5
Pa.	14	6.9	1.8	11	5.2	1.4
Ohio	13	2.9	1.2	15	3.6	1.5
Ind.	9	1.5	.7	11	2.0	.9
Mass.	9	14.2	5.8	9	14.2	5.7
Wis.	6	3.9	.5	6	3.4	.5
Mo.	4	.8	.3	4	1.0	.3
W. Va.	2	9.9	2.3	3	13.1	3.2
U. S. 2/	1,269	7.3	3.4	1,414	8.3	3.9

1/ Subject to revision. 2/ U. S. total receipts from tobacco include relatively small receipts for a few States not shown separately. Detail may not add to total due to rounding.

Table 35.--Federal, State, and local tax revenues from tobacco products for specified periods

Fiscal year	Federal				State	Total	Local	Total
	Cigarettes 1/	Cigars 2/	Chewing, smoking, and snuff	Total 3/	All tobacco products	Federal and State	Governments	Federal, State and local Governments
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:								
1947-49	1,195	47	44	1,287	324	1,611		
1950	1,243	42	42	1,328	414	1,742		
1951	1,294	44	41	1,380	430	1,810		
1952	1,474	45	28	1,565	449	2,014		
1953	1,587	46	21	1,655	469	2,124		
1954	1,514	46	20	1,580	464	2,044		
1955	1,504	46	20	1,571	460	2,031	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1957	1,611	45	18	1,674	558	2,232	48	2.280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	1,001	2,992	76	3,068
1962	1,957	50	17	2,026	1,075	3,101	72	3,173
1963	2,011	50	16	2,079	1,124	3,203	64	3,267
1964	1,977	56	17	2,053	1,196	3,249	84	3,333
1965 4/	2,070	61	17	2,149	1,310	3,459	5/	5/

1/ Includes large cigarettes. 2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico. 3/ Includes cigarette papers and tubes, floor taxes, penalties, etc. 4/ Preliminary--State tax revenues estimated. 5/ Local government collections for fiscal 1965 not yet available.
Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 36.--Tobacco manufacturing corporations: Net sales, net income, and profit ratios, for specified periods

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Mil. dol.	Mil. dol.	Mil. dol.	Ct.	Ct.	Pct.	Pct.
Average:							
1947-51	3,058	252	141	8.2	4.6	20.4	11.5
1952-56	3,779	351	159	9.3	4.2	22.6	10.2
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
1960	5,139	577	281	11.2	5.5	27.5	13.4
1961	5,300	630	303	11.9	5.7	28.3	13.6
1962	5,340	634	306	11.9	5.7	27.1	13.1
1963	5,563	675	327	12.1	5.9	27.6	13.4
1964	5,836	664	345	11.4	5.9	25.8	13.4
Quarterly							
1964							
1	1,268	130	67	10.3	5.3	20.6	10.6
2	1,492	177	91	11.9	6.1	27.8	14.3
3	1,525	177	91	11.6	6.0	27.3	14.0
4	1,551	180	96	11.6	6.2	27.4	14.6
1965							
1	1,384	145	76	10.5	5.5	22.0	11.5
2	1,529	171	92	11.2	6.0	26.5	14.3

NOTE: Data include non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

STATISTICAL SUMMARY

Item	Unit or base period	1964 July	1964 August	1965 June	1965 July	1965 August	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	52.3	59.5	Closed	64.9	65.2	110
Burley	Ct. per lb.	C - l - o - s - e - d			C - l - o - s - e - d		---
Maryland	Ct. per lb.	37.2	Closed	60.5	55.6	Closed	149
Virginia fire-cured	Ct. per lb.	C - l - o - s - e - d			C - l - o - s - e - d		---
Ky.-Tenn. fire-cured	Ct. per lb.	C - l - o - s - e - d			C - l - o - s - e - d		---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - l - o - s - e - d			C - l - o - s - e - d		---
Virginia sun-cured	Ct. per lb.	C - l - o - s - e - d			C - l - o - s - e - d		---
Support price levels 1/							
Flue-cured	Ct. per lb.	57.2			57.7		101
Burley	Ct. per lb.	58.9			59.5		101
Maryland	Ct. per lb.	52.3			52.8		101
Virginia fire-cured	Ct. per lb.	40.0			40.4		101
Ky.-Tenn. fire-cured	Ct. per lb.	40.0			40.4		101
Ky.-Tenn. dark air-cured	Ct. per lb.	35.5			35.9		101
Virginia sun-cured	Ct. per lb.	35.5			35.9		101
Connecticut Valley cigar binder	Ct. per lb.	40.8			41.2		101
Wis. binder and Ohio filler	Ct. per lb.	29.5			29.7		101
Puerto Rican filler	Ct. per lb.	30.6			30.9		101
Parity index 2/	1910-14=100	313	313	323	323	321	103
Industrial production index 3/	1957-59=100	133	134	143	144	144	107
Employment	Mil.	72.4	72.1	73.7	74.9	74.2	103
Personal income 4/	Bil. dol.	496.1	499.5	528.8	530.5	531.6	106

		1964 June	1964 July	1965 May	1965 June	1965 July	
Taxable removals							
Cigarettes	Bil.	45.2	42.6	40.8	70.1	39.7	93
Cigars and cigarillos	Mil.	777.9	768.1	792.7	726.9	694.6	90
Smoking tobacco	Mil. lb.	6.1	5.3	5.6	6.1	5.0	94
Chewing tobacco	Mil. lb.	5.9	5.5	5.2	5.8	5.4	98
Snuff	Mil. lb.	2.8	2.4	2.4	3.0	2.2	92
Accumulated from Jan. 1							
Cigarettes	Bil.	238.6	281.1	211.0	258.1	297.8	106
Cigars and cigarillos	Mil.	4,386.7	5,154.8	3,486.2	4,213.0	4,907.6	95
Smoking tobacco	Mil. lb.	42.9	48.2	29.2	35.3	40.3	84
Chewing tobacco	Mil. lb.	32.8	38.3	26.2	32.1	37.5	98
Snuff	Mil. lb.	16.2	18.3	12.0	15.1	17.2	94
Tax-exempt removals							
Cigarettes	Bil.	3.6	3.9	3.9	3.8	3.7	95
Exports	Bil.	2.0	2.1	2.8	2.1	1.8	86
Cigars and cigarillos	Mil.	16.7	18.1	13.9	14.7	13.7	76
Smoking tobacco	Mil. lb.	.3	.2	.3	.3	.2	100
Chewing tobacco	Mil. lb.	*	.1	*	.1	*	---
Accumulated from Jan. 1							
Cigarettes	Bil.	19.7	23.6	17.1	21.0	24.6	104
Exports	Bil.	11.4	13.6	9.3	11.4	13.2	97
Cigars and cigarillos	Mil.	98.0	116.0	66.7	81.4	95.1	82
Smoking tobacco	Mil. lb.	1.7	2.0	1.1	1.4	1.6	80
Chewing tobacco	Mil. lb.	.3	.3	.2	.2	.3	100
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1957-59=100	109.5			109.5		100
Cigarettes, filter tip	Jan.1959=100	100.0			100.0		100
Cigars	1957-59=100	100.3			100.3		100
Smoking tobacco	1957-59=100	121.1			121.2		100
Plug chewing tobacco	1957-59=100	123.9			123.9		100
Snuff	1957-59=100	115.0			115.0		100
Consumer prices indexes (urban) 6/							
Cigarettes, reg. nonfilter	1957-59=100	118.1			123.2		104
Cigarettes, filter tip	Mar.1959=100	113.1			118.1		104
Cigars, domestic, reg. size	1957-59=100	100.4			100.1		100
Imports of tobacco							
Cigarette leaf	Mil. lb.	11.2	11.3	10.8	13.0	10.2	90
Cigar tobacco 7/	Mil. lb.	7.1	5.6	7.0	5.9	6.3	112
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	59.1	70.4	59.3	72.2	82.4	117
Cigar tobacco 7/	Mil. lb.	35.9	41.5	33.3	39.2	45.5	110

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1964 June	1964 July	1965 May	1965 June	1965 July	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	34.3	29.6	34.3	29.2	33.0	111
Burley	Mil. lb.	10.7	4.4	3.2	8.8	5.6	127
Maryland	Mil. lb.	.9	.6	1.1	.4	.7	117
Virginia fire- & sun-cured	Mil. lb.	.3	.5	.3	.5	.4	80
Ky.-Tenn. fire-cured	Mil. lb.	2.0	.7	.4	.4	1.5	214
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	.1	*	*	---
Black Fat	Mil. lb.	.2	.4	.3	.4	.3	75
Cigar wrapper	Mil. lb.	.9	.4	.3	.5	.5	125
Connecticut binder	Mil. lb.	.1	*	*	.1	.3	---
Wisconsin binder	Mil. lb.	*	*	*	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	498.4	29.6	410.3	439.5		88
Burley	Mil. lb.	41.4	45.8	31.0	39.8	45.4	99
Maryland	Mil. lb.	8.7	9.2	6.6	7.0	7.7	84
Virginia fire- & sun-cured	Mil. lb.	5.0	5.5	3.5	4.1	4.5	82
Ky.-Tenn. fire-cured	Mil. lb.	14.1	14.8	14.2	14.7	16.1	109
Ky.-Tenn. dark air-cured	Mil. lb.	1.0	1.1	1.8	1.8	1.8	164
Black Fat	Mil. lb.	2.6	3.0	2.5	2.9	3.1	103
Cigar wrapper	Mil. lb.	6.3	.4	3.8	4.3		68
Connecticut binder	Mil. lb.	1.3	1.3	1.6	1.7	2.0	154
Wisconsin binder	Mil. lb.	*	*	.5	.5	.5	---
Exports of manufactured tobacco in bulk	Mil. lb.	1.3	.7	.9	1.4	.6	86
Accumulated from Jan. 1	Mil. lb.	4.9	5.6	4.4	5.8	6.4	114

		Quarterly data				
		1964		1965		
		Apr.-June	July-Sept.	Apr.-June	July-Sept.	
Tobacco stocks--1st of quarter 9/						
Domestic types (farm-sales weight)						
Flue-cured	Mil. lb.	2,649	2,386	2,823	2,555	107
Burley	Mil. lb.	1,699	1,570	1,710	1,584	101
Maryland	Mil. lb.	70	90	75	104	116
Fire-cured	Mil. lb.	139	132	141	134	102
Dark air- and sun-cured	Mil. lb.	77	71	78	72	101
Cigar filler	Mil. lb.	226	234	231	232	99
Cigar binder	Mil. lb.	82	77	80	75	97
Cigar wrapper	Mil. lb.	26	20	24	19	95
Under Government loan 10/	Mil. lb.	1,085	1,068	1,367	1,327	124
Tobacco sheet 11/						
Cigarette types	Mil. lb.	5.5	5.2	6.3	7.2	138
Cigar types	Mil. lb.	2.3	2.2	2.5	2.4	109
Foreign types(farm-sales wt.)						
Cigarette and smoking	Mil. lb.	302	286	304	317	111
Cigar	Mil. lb.	73	90	126	132	147
Tobacco outlets 12/						
Seasonally adjusted data, annual rates, for charts, p.2:						
Cigarettes						
Production	Bil.	554	554	564	552	100
Tax-paid removals	Bil.	512	508	515	511	101
Cigar production	Bil.	10.54	10.11	9.00	9.00	89
Smoking production	Mil. lb.	80.8	72.6	71.3	70.6	97
Chewing production						
Scrap	Mil. lb.	33.7	33.3	31.9	33.0	99
Plug and other	Mil. lb.	34.2	33.1	31.0	30.7	93
Snuff production	Mil. lb.	32.1	32.0	30.4	30.2	94
Exports of leaf						
Total	Mil. lb.	639	543	735	592	109
Flue-cured	Mil. lb.	514	417	640	457	110

1/ 1964 and 1965 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.
* Less than 50,000 pounds.

U. S. Department of Agriculture
Washington, D. C. 20250.

OFFICIAL BUSINESS

NOTICE
If you no longer need this publication, check here ☐ return this sheet, and your name will be dropped from the mailing list.

If your address should be changed, write the new address on this sheet and return the whole sheet to:
Division of Administrative Services (ML)
Office of Management Services
U. S. Department of Agriculture
Washington, D. C. 20250.

POSTAGE AND FEES PAID
U. S. Department of Agriculture

LIST OF TABLES

Table	Title	Page
1	Cigarettes: Total output, domestic consumption, shipments and exports for specified periods	7
2	Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-65	8
3	Cigarette exports from the United States to leading destinations for specified periods	9
4	Tobacco used for cigarettes by kinds of tobacco for specified periods	10
5	Tobacco used per 1,000 cigarettes by kinds of tobacco for specified periods	11
6	Percentage distribution of tobacco used for cigarettes by kinds of tobacco for specified periods	12
7	Large cigars and cigarillos: Output and consumption for specified periods	14
8	Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods	15
9	Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods	16
10	Smoking tobacco: Output, removals, foreign trade, and consumption for specified periods	18
11	Chewing tobacco and snuff: Output by category for specified periods	20
12	United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods	22
13	Tobacco exports under Government-financed programs, fiscal years 1955-65	24
14	Exports of tobacco and payments to exporters under Section 32 program, fiscal years 1962-65	26
15	Production of flue-cured and oriental tobacco in specified countries for specified periods	27
16	United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods	30
17	Unmanufactured tobacco imports into the United Kingdom from major sources, 1950-65	31
18	United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods	34
19	United States general imports of tobacco, from principal supplying countries, for specified periods	35
20	Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods	38
21	Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods	43
22	Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods	46
23	Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods	48
24	Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods	49
25	Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods	52
26	Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods	53
27	Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods	57
28	Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods	58
29	Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods	59
30	Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods	62
31	Cigar tobacco price support operations. quantities placed under loan, 1952-64 and remaining under loan August 31, 1965	64
32	Cigar tobacco types: Government price support levels 1962-65, and season average prices, 1962-64	65
33	Tobacco: Acreage and yield per acre in the U. S., by types or groups of types, for specified periods	67
34	Cash receipts from tobacco and as percentage of cash receipts from crops and all farm commodities, by states, 1963 and 1964	68
35	Federal, State and local tax revenues from tobacco products for specified periods	69
36	Tobacco manufacturing corporations: Net sales, net income, and profit ratios for specified periods	69

LIST OF CHARTS

Burley tobacco ..... Cover
Tobacco outlets--recent trends 2
Cigarettes — Leaf exports
Cigars end cigarillos — Smoking tobacco
Chewing tobacco — Snuff
Export markets for U. S. tobacco 23